Mpumalanga
TOURISM AND PARKS AGENCY

ANNUAL REPORT
2020 ~ 2021

MPUMALANGA TOURISM AND PARKS AGENCY ANNUAL REPORT

2020 / 2021 FINANCIAL YEAR

Sudwala Caves - Mpumalanga

CONTENTS

PINNACLE ROCK

PART A

General Information

1. PUBLIC AGENCY'S GENERAL INFORMATION

REGISTERED NAME:	Mpumalanga Tourism and Parks Agency
REGISTRATION NUMBER:	Schedule 3C
PHYSICAL ADDRESS:	Samora Machel Drive, Hall's Gateway, Mataffin, Mbombela, 1200
POSTAL ADDRESS:	Private Bag X 11338, Mbombela, 1200
TELEPHONE NUMBER/S:	+27 13 759 5300/01 (Switchboard) +27 13 759 5432 (Reservations)
FAX NUMBER:	+27 13 755 3928
EMAIL ADDRESS:	info@mtpa.co.za
WEBSITE ADDRESS:	www.mpumalanga.com
EXTERNAL AUDITORS:	The Auditor General South Africa, P O Box 446, Pretoria, 0001
BANKERS:	First National Bank 1 Parkin Street, Pinnacle Building, Ground Floor, Mbombela, 1201 Standard Bank Corner General Daan Pienaar & N4 Shop 2&3, The Crossings Shopping Centre, Mbombela, 1200
COMPANY/ BOARD SECRETARY:	Mr Differ Mogale

2. LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements
BMM-WHS	Barberton Makhonjwa Mountains World Heritage Site
CA	Chartered Accountant
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPA	Communal Property Association
DARDLEA	Department of Agriculture, Rural Development, Land and Environmental Affairs
DFFE	Department of Forestry, Fisheries and the Environment
DEDT	Department of Economic Development and Tourism
DWS	Department of Water and Sanitation
EE	Employment Equity
EPIP	Environment Protection and Infrastructure Programme
EPWP	Expanded Public Works Programme
HDI	Historically Disadvantaged Individuals
GRAP	Generally Recognised Accounting Practice
ICC	International Conference Centre
ICCA	International Congress and Convention Association
ICT	Information Communication Technology
IMEX	Worldwide Exhibition for Incentives Travel, Meetings and Events
KZN	KwaZulu Natal
MBSP	Mpumalanga Biodiversity Sector Plan
MEC	Member of the Executive Council
METT	Management Effectiveness Tracking Tool
MTPA	Mpumalanga Tourism and Parks Agency
NEHAWU	National Education, Health and Allied Workers Union
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PMU	Project Management Unit
PPP	Public Private Partnership
RLCC	Regional Land Claims Commission
SAPS	South African Police Service
SCM	Supply Chain Management
SEA	Strategic Environment Assessment
SCOPA	Standing Committee On Public Accounts
SLA	Service Level Agreement
SMME	Small Medium Micro Enterprise
WSP	Workplace Skills Plan

3. FOREWORD BY THE MEC

It gives me great pleasure to present the 2020/2021 Annual Report for the Mpumalanga Tourism and Parks Agency (MTPA). This report provides a synopsis of the activities undertaken by the MTPA for the year under review.

Mr. P.V Mkhatshwa (MPL)
MEC for Finance, Economic Development and Tourism

The mandate of the MTPA remained the same during the year under review, i.e. conservation management, tourism marketing and development. The impact of the COVID-19 pandemic on the resources of the Agency was huge; however, the mandate was fully implemented.

The tourism sector, which has always been one of the resilient in the midst of economic meltdown across the globe, has not been able to resist this time around due to the closure of international borders for travel. Despite the pandemic, it remains one of our economic sectors with a potential to create more jobs and grow the economy.

The MTPA has made remarkable strides in working with the private sector by forming the Mpumalanga Tourism Recovery Forum, which developed and approved the Mpumalanga Tourism Recovery Plan. During these times of COVID-19 all efforts had to be made to provide the necessary support to the tourism businesses, the government made available relief to businesses and individuals in the arts and crafts that support tourism. The relief benefitted 816 tourism businesses, 238 by national government and 578 by the provincial government. The provincial process will be concluded in the new financial year.

Events remain one of the key sectors that play a major role in attracting large numbers of visitors to the province. Due to the COVID-19 pandemic and the restrictions that were put in place to curb the spread of the virus, the Agency had to find creative ways to host events while observing the health protocols in line with the COVID-19 Regulations.

The Agency successfully hosted the Charity Golf Day in Skukuza at the Kruger National Park as well as in Secunda. This also included the hosting of a virtual tourism business event i.e. Heal the Nation Gospel Festival that was viewed by over 300 000 people, both on social media and DSTV Channel highlighting Mpumalanga's unique attractions. Through embarking on innovative ways to promote tourism and encourage people to visit destination Mpumalanga, the Agency implemented a digital marketing campaign, which was shown on the MTPA's social media platforms.

The appointment of the Department of Economic Development and Tourism (DEDT) as the Management Authority for the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) remains one of the notable achievements during the year under review. We have initiated the process of consultation with the landowners and interested parties in preparation for the assignment of the management authority to the relevant public entity. The Management Authority should drive sustainable biodiversity conservation and fair tourism growth opportunities for the site in the interest of local people. This site will further advance government's transformation agenda, as there will be the participation of Historically Disadvantaged Individuals in tourism and biodiversity business initiatives.

We are confident that the proposals for biodiversity stewardship sites hectares submitted to the MEC for DARDLEA to gazette as protected areas will be finalized in the new financial year. When the process is concluded the province would have contributed 25000 hectares of land to the Parks Expansion Programme which is a national initiative.

We continue to fight a war against wildlife crimes. We have issued 330 administrative enforcement notices for non-compliance to environmental legislation and we remain hopeful that these will be resolved. We therefore applaud our law enforcement agencies and the anti-poaching concerned groups for their coordinated efforts, which have shown great strides in curbing the rising numbers compared to the previous accounting period.

The condition of infrastructure in the nature reserves remains a key challenge for the Agency, as that plays major role in increasing tourism visitor numbers, attract potential investors and minimise poaching activities. We are assessing the state of operations in the nature reserves/protected areas managed by the MTPA and will consider how to improve it.

The Agency has finally brought to fruition by the successful conclusion of negotiations with the preferred bidders for the God's Window Skywalk PPP project and the application for Treasury Approval III, which led to the subsequent granting thereof by National Treasury, presented a major milestone. This process saw the appointment of the preferred bidder as the private party in the PPP transaction project. The project is expected to move into the construction phase during the course of the 2021/2022 financial year once the National Treasury approves the construction designs.

The conclusion of the Skywalk Project and others of a medium sized operation will enhance the drive to diversify the product portfolio, lengthen the stay in the province and improve tourist spending. It gives me great pleasure that the appointment of all operators prioritised women from previously disadvantaged backgrounds.

The Agency collected 76% of the readjusted planned revenue target of R21, 512 million compared to the previous accounting period from various revenue streams within the MTPA operations. This is a significant contribution to improving the financial performance of the Agency given the COVID-19 pandemic that continues to affect the tourism travel and business market, on both international tourists' arrival and domestic trips.

The Agency continues to spend on procurement of goods and services from the designated groups of youth, women and people with disabilities as a drive towards achieving the outcome on the transformation of the suppliers industry. The total spent of 44% of the total amount of goods and services procured this designated group is above the government norm of 30%.

I am pleased that during the year under review, the Agency responded to the COVID-19 compliance requirements as prescribed by government and sought to ensure the implementation of COVID-19 Regulations by compliance activities in the nature reserves and in all the workstations.

We are aware that there is more work to be done to market and position Mpumalanga as the preferred tourism destination. This, however, can only be achieved through working together. Accordingly, partnerships between government and industry stakeholders remains a key priority to ensure that the Agency delivers on its mandate. We also implore on communities residing adjacent to our nature reserves to continue to collaborate with us as we strive to protect and conserve these heritage assets for future generations.

I wish to express my appreciation to my predecessor, the former MEC for Finance, Economic Development and Tourism, Mr. Pat Ngomane, the Interim Board of the MTPA as well as the Executive Management for continuously providing leadership and stability within the MTPA. They have contributed tremendously to the developments and the effective operations at the MTPA as well as the Mpumalanga tourism and conservation industries.

I further extend my sincere gratitude to Members of the Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism, for their continued guidance and oversight on the performance of the Agency.

Mr. P.V Mkhatshwa (MPL)
MEC for Finance, Economic Development and Tourism

4. OVERVIEW BY THE CHAIRPERSON OF THE BOARD

Mr. T.J. Nzima
Chairperson of the Board

It gives me great pleasure to present the 2020/2021 Annual Report on behalf of the Board of the Mpumalanga Toursim and Parks Agency.

The year 2020/2021 was undoubtedly the most difficult year for everyone as the world tries to manage life with the COVID-19 pandemic which had a negative impact on the tourism sector.

In light of the rapid increase of the COVID-19 pandemic in various parts of the country and the world at large, we saw South Africa and other countries being moved to a nation-wide lockdown for the remainder of the financial year. A number of events and trade shows were cancelled and others postponed to unknown future. The tourism industry experienced a number of cancellation of trips and bookings, bookings for meetings and accommodation including in our products, which had a huge effect on the numbers of people visiting the province. The effect of this pandemic on the industry led to job losses.

The second wave of the COVID-19 pandemic in the third and fourth quarter of the year under review continued to negatively affect the planned tourism events. However, the collaboration between the MTPA and the Regional Tourism Organizations saw new innovative ways of continuously promoting Mpumalanga during the pandemic. The focus was directed by the requirement of the new normal to leverage more on initiatives for domestic tourism and provide the necessary support to the SMMEs in the tourism sector.

I am pleased that during that period, the MTPA through the Provincial Government put in place various support programmes for the tourism industry like the Tourism Relief Fund, which was established as an intervention to mitigate the impact of COVID-19 on the tourism sector. This was over and above the other support interventions by National Government through various interventions including business and stimulus as well as social security assistance.

The budget allocated to the entity was reduced which led to the review of the initially approved annual performance priorities. Most outputs related to achieving the set entity's impact and outcomes were either deferred to the 2021/2022 financial year or revised to fit the reviewed budget allocated. This also involved allowing the vulnerable employees over the age of 60 years to work from home where possible due to the high risk of exposure to the COVID-19 infection in all strategic and operational levels.

Tourism safety and awareness remained one of the key priority areas for the entity to ensure that we create awareness about the tourism offerings in the province through the use of e-marketing platforms as they are compliant to the COVID-19 Lockdown Regulations. The health and safety of tourists and staff at all our tourism sites became critical, as we strive to prioritise the safety of our patrons and had to enforce health and safety regulations in compliance with government regulations.

During the year under review, it became more important to fight wildlife crime as incidents of poaching were rising. The annual dehorning programme of rhinos was undertaken in the nature reserves as a deterrent to rhino poaching. This was a collaborative effort between government and private sector to continue to work together and protect our assets.

The appointment of the Department of Economic Development and Tourism (DEDT) as the Management Authority for the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) remains one of the highlights for the year under review. Stakeholder engagements were conducted through DEDT to solicit support leading to the relevant management authority to be appointed and ensure maintenance of the Outstanding Universal Values of the BMM-WHS property.

The Board is pleased that the signing of the Co-management Agreements for the Andover Nature Reserve and the Blyde River Canyon Nature Reserve during the period under review were completed. We are confident that the outstanding Co-management Agreements for Manyeleti, Loskop Dam and Bushbuckridge Nature Reserves will be finalised in the new financial year.

In spite of the challenges brought by COVID-19 pandemic, the entity continued to operate fully and to ensure stability within the entity. The policies, frameworks and internal controls approved by the Board were implemented accordingly. The Board approved the new organization structure following the recommendations of the Organisational Health Audit that was conducted in the 2018/2019 financial year. The continued implementation of the Human Resource Strategy saw a steady development towards general organizational stability in the top management of the entity. We are confident that the Executive Management will continue with the implementation of the new organizational structure in the new financial year.

The Board concluded the appointment of the Chief Financial Officer, which was one of the critical vacant positions at the Executive Management level. The appointment of a Company Secretary on a twelve months fixed contract was also concluded during the year under review. The finalization of the appointment of the Executive Manager Tourism is expected to be concluded in the new financial year.

While the process of commercializing Zithabiseni Resort and Conference Centre was finalized in 2019/2020, the actual take over by the Commercial Operator had not taken place yet. This has therefore impacted on the staff transfer process. Although the Zithabiseni Resort and Conference Centre is still managed by the MTPA, we are confident that the Commercial Operator will take over in the new financial year.

Budget allocated to the entity remains extremely limited and continues to affect the operations. Revenue generations remain a challenge, especially within the current COVID-19 environment. During the year under review, the entity continued to pursue commercial opportunities to build and/or operate eco-tourism facilities in the MTPA protected areas, despite the challenges posed by landowners. The entity prioritized negotiations for the implementation of one PPP project, the God’s Window Skywalk. The COVID-19 pandemic added to the challenges experienced which saw the tourism numbers going down, affecting own revenue generation of the nature reserves. As a result, this affected the potential income from concessionaires who indicated their inability to pay the MTPA concession fees.

Due to the impact of COVID-19 pandemic, the entity reviewed its tariffs and resolved not to increase most of them. In an effort to boost own revenue generation, some tariff adjustments were only made to introduce a dual pricing system for domestic and international tourists.

The Board continued to exercise oversight responsibility regarding financial and performance reporting; compliance and related internal controls in order to minimise material misstatements identified during the annual audit by the AGSA. The entity obtained an unqualified audit opinion for the financial year 2020/21. Management will continue to ensure that necessary internal controls and mechanisms to enhance the financial management and performance information continue to be applied to achieve a clean audit outcome in 2021/22 financial year

The Board would like to congratulate the CEO for completing 4 years of his 5 - year employment contract in office. This is an achievement and a highlight for the entity with a poor history for leadership stability. We are excited to have travelled this journey with him together with the Executive Management. Together with the Executive Management, they have worked tirelessly to put the entity on the map and ensure that it continues to deliver on its mandate. On behalf of the Board, we thank Management and all the employees of the Entity for their continued support and dedication. We also want to express our gratitude to all our stakeholders both local and national for their continued support.

On behalf of the entire Board of the MTPA, I would like to extend the Board’s gratitude to the Honorable MEC for Finance, Economic Development and Tourism, for his continued guidance and leadership.

Mr. T.J. Nzima
Chairperson of the MTPA Board

5. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

Mr. B.J. Nobunga
Chief Executive Officer

It gives me great pleasure to present the overview as the Chief Executive Officer for the MTPA for the 2020/2021 financial year.

The financial year under review is unprecedented in the history of ecotourism in the new democratic dispensation. The outbreak of the COVID-19 pandemic early in the year 2019 sent an acute distress to the tourism industry and the management of natural attractions worldwide. The government of the country like other governments the world-over had to restrict all movements of people for leisure and business purposes. These COVID-19 national lockdowns were introduced to curb the spread of the pandemic.

All international and domestic travel was stopped from Alert Level 5 to 3 Lockdown. This measure saw South Africans showing solidarity, resilience and courage in fighting against the pandemic. However, on the hindsight most businesses scaled down their operations and some closed doors, leading to the loss of many jobs in the tourism industry. The pandemic further led to the reprioritisation of government plans to focus budget to fight the scourge of the COVID-19 pandemic.

The province is blessed with natural beauty, making tourism sector a key player in the provincial economy. Sustaining businesses and jobs in the sector remains crucial towards the recovery after the nationwide lockdown due to the COVID-19 pandemic.

The Delta variant , which was discovered in our country meant that while we have opened our international borders, South Africa remain a listed country in some of our key markets. The Mpumalanga Tourism Recovery Plan prioritises the domestic market to ensure that we regnite and stabilise.

During the year under review, the Department of Economic Development and Tourism working together with the MTPA and the private sector developed a Tourism Recovery Plan that emphasized the need to find alternative sources of funding in order to continue to promote the province as a destination of choice. The plan also seeks to facilitate investments and partnerships for the upkeep of infrastructure and the protection of biological assets.

The tourism businesses in the province were encouraged to apply and benefit from the National Tourism Relief Fund. An amount of R11.9 million was dispatched to over 239 Mpumalanga Tourism businesses. After realising that there were many businesses and industry role players that were not covered by the National Relief Fund, the provincial government through the Department of Economic Development and Tourism established a COVID-19 Tourism Relief Fund capitalised at R20 million for the Tourism SMME businesses in distress and the upgrade of tourism facilities in the MTPA nature reserves.

The MTPA invited tourism businesses to apply for the COVID-19 Tourism relief funding. The funding was applicable to all those tourism amenities that did not benefit from the National Tourism Relief Funding and any other grant funding provided by the government. As at the end of the financial year, a total of 91 tourism businesses were paid. The process will continue to be finalised in the new financial year.

The entity's partnership with the tourism sector throughout the year under these difficult conditions has solidified. Domestic marketing campaigns were held during the month of September as part of the tourism month programme. The programme included amongst others the promotion of tourism offerings and experiences in all the district municipalities.

The entity is committed to the need to transform the tourism product ownership in the province, making use of the protected areas under the MTPA, we are deliberate to leading this agenda through the concession opportunities in the nature reserves. The successful conclusion of negotiations with the preferred bidders for the God's Window Skywalk PPP project is a major highlight for the entity. The appointment of investors for the Belvedere Guesthouse complex at the Blyde River Canyon Nature Reserve and the Bush Camp at Manyeleti Nature Reserve were finalised during the year under review. The completion of this process will realise the participation of women, youth and people with disabilities in the ownership structures.

During the year under review, the entity collected 76% of the planned revenue target of R21, 512 million from various revenue streams within the MTPA operations. This is a significant contribution to improving the financial performance of the entity given the COVID-19 pandemic that continue to affect the tourism and business market,given the zero base start after the hard lockdown in both international tourist arrival and domestic trips.

The entity continues to spend its procurement of goods and services from the youth, women and people with disabilities as a drive towards achieving the outcome on the transformation of the suppliers' industry. The entity spent 44% of the total amount of goods and services procured on women, youth and people with disabilities.

The COVID-19 crisis presents an opportunity to address long-term structural deficiencies in the South African economy and place the economy on a new growth path that will lead to job creation. In this regard, reconstruction from COVID-19 should be seen as an opportunity for a purposed recovery from what was, to the new desirable, a transformed tourism sector with new ownership partens that benefits all.

The President presented a National Economic Reconstruction and Recovery Plan which seeks to transform the economy to the one aligned to local comparative strengths with the need to build inclusivity, resilience and centered around creation of sustainable job opportunities. Key Priority areas of the Economic Reconstruction and Recovery Plan are amongst others:

- Rollout of infrastructure
- Employment stimulus
- Growth and recovery of tourism

The President announced a Presidential Stimulus Package which allocated a total of 1 409 job opportunities to be created with a budget of R53,3 million for the natural resource management, wildlife management, youth development and value added industries for Mpumalanga province. The funding therefore include just over R4 million allocated to the Andover Nature Reserve to install 17 km territorial boundary fencing in the 2021/22 financial year.

The Mpumalanga Provincial Government led by the DEDT is developing a Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) which is aligned to the national plan. The plan is project based and it focuses on the following areas:

- Rollout of infrastructure
- Industrialisation through Localisation and Export promotion
- Energy security and Green economy
- Employment stimulus
- Tourism, Cultural and Creative Industries

The overwhelming achievement for the province in the 2020/21 financial year is the final declaration of the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) and the appointment of the Department of Economic Development and Tourism (DEDT) as the Management Authority for the property.

The continued implementation of the Human Resource Strategy saw a steady development towards general organisational stability in the top management of the entity. The position of the Chief Financial Officer was filled and a further two key managerial positions for Facility Management at Manyeleti Nature Reserve and a Manager Demand and Acquisition in the Office of the CFO. A Company Secretary was also appointed on a twelve months fixed contract.

The entity continued to respond to the COVID-19 compliance requirements as prescribed by government. The entity sought to ensure the implementation of the COVID-19 compliance activities in the nature reserves and working environment. One such significant activity was the provision of water supply, the installation of hand washbasins and PPEs in all the nature reserves and other work stations.

The year under review was very challenging for the entity, as we had to adapt to the new normal of COVID-19. Limited funding continues to have an impact in our operations; however, the entity has successfully delivered 79% on its Annual Performance Plan targets.

I would like to express my warm appreciation to the Honourable MEC for Finance, Economic Development and Tourism as well as the Acting Head of Department for Economic Development and Tourism for their continued support.

I would also like to thank the Board including the Interim Board of the MTPA and its Committees for their support and guidance, the Executive Management team as well as the staff of the entity for their dedication and commitment.

Mr. B.J. Nobunga
Chief Executive Officer

6. 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 is consistent with the Annual Financial Statements audited by the Auditor General South Africa.

The Annual Report is complete, accurate and is 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 Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public Agency.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the Performance Information, the human resources information and the financial affairs of the public Agency for the financial year ended 31 March 2021.

Yours faithfully

Mr B.J. Nobunga
Chief Executive Officer

Date: 31 May 2021

Mr T.J. Nzima
Chairperson of the Board

Date: 31 May 2021

7. STRATEGIC OVERVIEW

VISION

Mpumalanga a world-class tourism and wildlife economy

MISSION

Grow tourism and manage bio-diversity to stimulate sustainable economic growth that is inclusive and creates decent employment

VALUES

The MTPA subscribes to the following core values:

- Productive (results oriented / disciplined / efficient / punctual / cost conscious)
- Integrity (ethical / honest / transparent / truthful / accountable / reliable / responsible)
- Committed (motivated / dedicated / diligent / passionate)
- Teamwork (participative / consultative / collaborative)
- Service excellence (responsive / client need driven / approachable / friendly / competitive / time conscious)
- Innovative (flexible / creative / adaptable / pro-active / initiative)
- Respectful (treating others with respect / dignity / humility / fairness / consistent)
- Quality conscious (attention to detail / accuracy / critical mindset / quality focus / preparedness)

LEGISLATIVE AND OTHER MANDATES

The MTPA was established in terms of the Mpumalanga Tourism and Parks Agency Act of 2005, Act No. 5 of 2005, and listed as a Schedule 3C Public Agency. The Agency came into existence on 1 April 2006 following the merger of the now defunct Mpumalanga Parks Board and Mpumalanga Tourism Authority.

Section 3 to the MTPA Act defines the Objects of the Agency as follows:

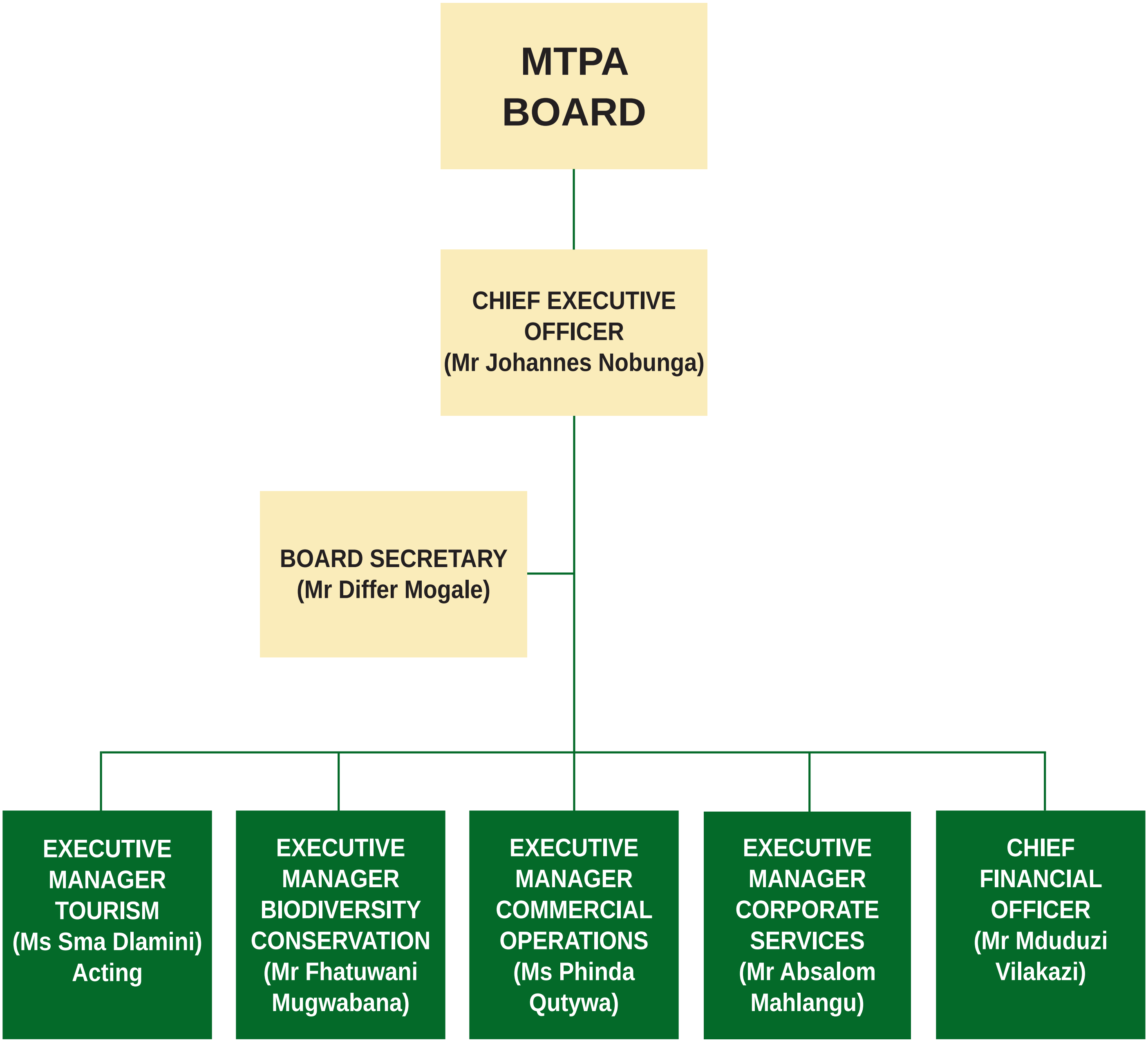
1. The objects of the Agency shall be to provide for the sustainable management and promotion of tourism and nature conservation in the Province and to ensure the sustainable utilisation of natural resources.

2. In pursuing its objects, the Agency shall –
   a) Provide for effective management and conservation of biodiversity and ecosystems within the Province;
   b) Develop and ensure effective management and market tourism;
   c) Foster, promote and sustainably develop and market tourism; and
   d) Promote and create socio-economic growth and transformation within the tourism and conservation industry, thereby creating economic and employment opportunities for previously disadvantaged individuals and local communities in the Province

The following key policy frameworks have been recognised as part of clarifying the legal and legislative mandate of MTPA.

- The Constitution of the Republic of South Africa
- The MTPA Act of 2005
- Public Finance Management Act, No. 1 of 1999
- The White Paper on Biodiversity, (1997)
- The Mpumalanga Economic Growth and Development Path
- The Mpumalanga Tourism Growth Strategy (MTGS) (2006)
- The National Biodiversity Strategy and Action Plan (DEAT 2005)
- The National Environmental Management Biodiversity Act (Act 10 of 2004)
- The Mpumalanga Biodiversity Conservation Plan (MBCP 2006)
- The Mpumalanga Nature Conservation Act (Act 10 of 1998)
- The Provincial Growth and Development Strategy (2008)
- The National Environmental Management Act (1998)
- The National Environmental Management Protected Areas Act (2003)
- The White Paper on Promotion and Development of Tourism (1996)
- The National Tourism Act (Act 3 0f 2014)
- The Mpumalanga Biodiversity Sector Plan Conservation Plan (MBSP 2014)

8. ORGANISATIONAL STRUCTURE



MEMBERS OF THE BOARD

MR THULANI NZIMA

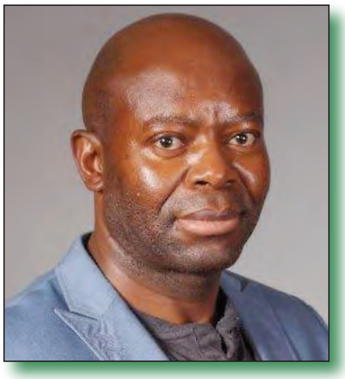
Chairperson of the Board

MS NOMASWAZI SHABANGU-MNDAWE

Deputy Chairperson

MS THOLAKELE NKAMBULE

Board Member

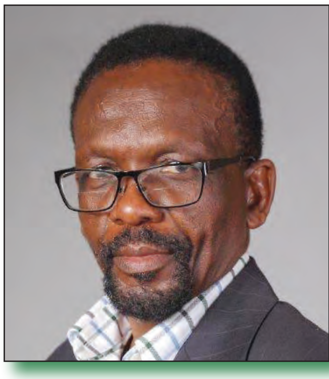


DR THABO MAGOME

Board Member

MR CHRISTOPHER GOLOLO

Board Member



MR SIPHO MTHOMBENI

Board Member

MR TLOU KEETSE

Board Member

MS NONYANISO MZUZU

Board Member

MS SHEILA SEKHITLA

Board Member

MS SIJABULILE MAKHATHINI

Board Member

AUDIT AND RISK COMMITTEE

MS PRECIOUS MVULANE
Chairperson Audit and Risk Committee

MR MDUDUZI ZAKWE
Member

MR SAM MTHEMBU
Member

MR SIPHO MTHOMBENI
Member

MS SIJABULILE MAKHATHINI
Member

EXECUTIVE MANAGEMENT COMMITTEE

JOHANNES NOBUNGA
Chief Executive Officer

SMA DLAMINI
Executive Manager Tourism (Acting)

FHATUWANI MUGWABANA
Executive Manager Biodiversity Conservation

PHINDA QUTYWA
Executive Manager Commercial Operations

ABSALOM MAHLANGU
Executive Manager Corporate Services

MDUDUZI VILAKAZI
Chief Financial Officer

DIFFER MOGALE
Board Secretary

PART B

Performance Information

1. AUDITOR'S REPORT

PREDETERMINED OBJECTIVES

The AGSA/Auditor currently performs the necessary audit procedures on the Performance Information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the ***Predetermined Objectives*** heading in the ***Report on other legal and regulatory requirements*** section of the auditor's report.

Refer to page 112 of the Report of the Auditors Report, published as **Part E: Financial Information.**

2. SITUATIONAL ANALYSIS

2.1 SERVICE DELIVERY ENVIRONMENT

The 2020 – 2021 financial year is one of the unpresented year in the history of the South African government's plans to implement service delivery to the public and private sector. The outbreak of the COVID-19 pandemic early in the first quarter of 2020-2021 financial year presented a negative impact to the way of doing business and providing public service. The national government imposed a national lockdown which restricted movement of people and the conventional way of doing business. A national government directive was also imposed for all department and state owned entities to reprioritise the budget allocated. That is because government has refocused the resources on the fight against the pandemic. These measure of complying with the directives negatively affected the delivery mandate and throw the tourism in Mpumalanga into crisis as thousands of businesses were on the brink of closure resulting in job losses.

The budget allocated to the Agency was reduced which led to the review of the initially approved annual performance priorities. Most outputs were either deferred to the 2021-2022 financial year or revised to fit the budget allocated. This also involved allowing the vulnerable employees over the age of 60 years to stay at home or work from home where possible due to the high risk of exposure to the COVID-19 infection. The decision applied to all strategic and operational levels, for example, administration, field ranging and patrons hospitality services management.

The marketing activities, significant to marketing Mpumalanga as a tourism destination of choice thereby increasing domestic and international tourists arrivals were deferred to the 2021-2022 financial year, capital infrastructure projects in the nature reserves and the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) were also deferred. However tourism safety and awareness campains remain a priority as the Agency continue to create awareness about the tourism offerings in the province through the use of e-marketig platforms as they are compliant to the COVID-19 Lockdown Regulations.

Under the revised annual performance plan the Agency focused on outputs that involved less capital expenditure and minimum personal contact.

The Agency successfully hosted a virtual tourism business event - Heal the Nation Gospel, that was viewed by over 300 000 people. The event was aimed at showcasing the Mpumalanga Province's unique attraction. A digital marketing campaign was conducted to domestic travel and encourage South Africans to visit the destination. The campaign was on all Mpumalanga Tourism and Parks social media platforms. Two charity golf days were hosted by the Agency in the Kruger National Park and Secunda to showcase the Mpumalanga as a golf destination as well as giving confidence that Mpumalanga was open for business. The second wave of the COVID-19 pandemic in the third and fourth quarter during the year under review negatively affected the planned tourism and business activities, for example the celebrations for the Liberation Heritage route were cancelled due to increased COVID-19 cases at the time.

The priority of the sector was to resume full operations as early as it was safe to do so, but re-opening would just be the start of a difficult recovery. The situation required an urgent response, but also a recognition of the constraints that hamper Mpumalanga's tourism development.

The Agency is gradually moving closer to the need to transform tourism products ownership within the protected areas through the involvement of private sector and HDI participation in the identified business opportunities. The successful conclusion of negotiations with the preferred bidders for the God's Window Skywalk PPP project is a major highlight. The appointment of investors for the Belvedere Guesthouse Complex at the Blyde River Canyon Nature Reserve, and the Bush Camp at Manyeleti Nature Reserve were finalised. The completion of this process will realise the participation of women, youth and people with disabilities in the ownership structures.

The Biodiversity Conservation activities managed to achieve over 71% of the planned targets for the year under review. The most notable achievements during this period were related to the EPWP work opportunities created, proposals for biodiversity stewardship sites hectares submitted to the MEC to be gazetted as protected areas and the number of administrative enforcement notices issued for non-compliance to environmental legislation.

The competition and demand for the exploitation of the limited natural resource conserved within the protected areas with neighboring communities has increased due to the scarcity of jobs and alternative means of livelihood in rural areas surrounding the nature reserves. The wildlife crime activities continues in the Province. The follow-up annual dehorning programme of rhinos was undertaken in nature reserves hosting the species during the financial year with the aim of temporarily deterring poachers from attempting to poach the animals.

The overwhelming achievement for the province in 2020/21 financial year is the final declaration of the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) and the appointment of the Department of Economic Development and Tourism (DEDT) as the Management Authority for the property. The MTPA continued to engage with both the Department of Forestry, Fisheries and the Environment (DFFE) and the office of the MEC: DEDT while conducting stakeholder engagement process to solicit support leading to the assignment of the relevant management authority to ensure maintenance of the Outstanding Universal Values of the WHS property.

The MTPA facilitated and finalised the signing of the co-management agreements for the Andover Nature Reserve and Blyde River Canyon Nature Reserve during the period under review. Follow-up engagements with recognised CPAs were held to pave the way of finalising the co-management agreements for the Manyeleti, Loskop Dam and Bushbuckridge Nature Reserves.

The Agency responded to the COVID-19 compliance requirements as prescribed by government. The Agency sought to ensure the implementation of COVID-19 compliance activities in the nature reserves and working environment. One such significant activity was the provision of water supply, the installation of hand-wash basins and PPE's in all the nature reserves. A total of 57 hand-wash basins, hand towel dispensers, dustbins and sanitising stations were installed at all reserves' and main office entries in the reserves.

Although the budget for maintenance is insuffiecient for the scale of maintenance that is required to get the infrastructure to a condition of good state. The MTPA managed to complete three infrastructure upgrades. The renovation of the Waterval hiking trails and the field rangers house in the Blyde River Canyon Nature Reserve and the refurbishment of the ablutions in 25 chalets at the Kroomdraai Camp in the Songimvelo Nature Reserve. A total of three service providers from the local community were appointed for the construction of the upgrades completed in the 2020/2021 financial year. The multi-year externally funded projects (National Department of Tourism and Department of Forestry, Fisheries and Environment), continue to be implemented at the Mahushe Shongwe, Loskop Dam and Nooitgedacht Dam Nature Reserves. A total of four service providers also from the local community were appointed for Nooitgedacht Dam infrastructure upgrades. The upgrades include the completion of nine staff houses, an office, 20km fence and five flood gates.

The hunting agreement with the Andover-Lemmington CPA was not concluded due to the delays on the side of the CPA to peruse and reach consensus on the draft hunting agreement presented to the parties to unlock the biodiversity economy initiative.

The Agency continued to experience lack of support from community stakeholders in the areas of Bushbuckridge, Songimvelo and Andover Nature Reserves regarding the fencing of the nature reserve. The lack of operational budgets for the effective management of nature reserves within the province and the budget for infrastructure maintenance and development projects remains a major challenge.

The unmaintained roads leading to main tourism attractions further endangers a thriving tourism industry and affects business growth. The Eloise Tropical Storm also negatively affected the tourism businesses and the structural integrity of some of the nature reserves was impacted. The fence was washed away in Manyeleti, Mahushe Shongwe, Songimvelo and Sterkspruit nature reserves. Bridges were also washed away in Blyde River Canyon, Songimvelo and Mahushe Shongwe Nature Reserves. The cost analysis of the damage to the infrastructure was quantified and renovations prioritised in the 2021-2022 financial year.

In the past years, there have been challenges in the implementation of projects with regards to the appointment of service providers within the protected areas, due to local community interference. The misconception of the land owners in terms of the procurement processes have also contributed to the challenges faced during the processes of procurement. The MTPA is in constant engagement and hosting workshops to educated the landowners and community at large.

The President of South Africa presented a National Economic Reconstruction and Recovery Plan which seeks to transform the economy to the one aligned to local comparative strengths with the need to build inclusivity, resilience and centered around creation of sustainable job opportunities. Key Priority areas of the Economic Reconstruction and Recovery Plan are amongst others the:

- Rollout of infrastructure
- Employment stimulus
- Growth and recovery of tourism

Thus far, the President announced an Employment Stimulus Package which allocated a total of 1 409 job opportunities to be created with a budget of R53,3 million for the natural resource management, wildlife management, youth development and value added industries for Mpumalanga Province. The funding therefore include just over R4 million allocated to the Andover Nature Reserve to install 17 km territorial boundary fence in the 2021/22 financial year.

The Mpumalanga Provincial Government led by the DEDT is developing a Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) which is aligned to the national plan. The plan is project based and it is focusing on the following priority areas:

- Rollout of infrastructure
- Industrialisation through Localisation and Export promotion
- Energy security and Green economy
- Employment stimulus
- Tourism, Cultural and Creative Industries

The Agency submitted the planned infrastructure upgrade for the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS).

The Mpumalanga Provincial Government took note of the negative impact of the COVID-19 Lockdown on the tourism sector in the province, as a result, strategic engagements with the tourism sector were organised with the purpose of seeking a common ground in addressing all challenges. It is for that reason that jointly with the Department of Economic Development and Tourism, a Mpumalanga Tourism Recovery Plan was compiled in consultation with the Regional Tourism Organisations and municipalities, led by the Department of Economic Development and Tourism (DEDT).

The DEDT established a COVID-19 Tourism Relief Fund which was capitalised at R20 million of which half is allocated to assist tourism businesses that are in distress as well as marketing the destination and the other half is for the upgrade of nature reserves. The fund is aimed to provide a relief to distressed tourism businesses and infrastructure in MTPA managed nature reserves. The Agency also assisted the Mpumalanga tourism businesses with accessing the National Tourism Relief Fund. An amount of R11.9 million was dispatched to over 239 qualifying Mpumalanga Tourism businesses.

2.2 ORGANISATIONAL ENVIRONMENT

The outbreak of the Coronavirus (COVID-19) had a devastating impact on the South African economy in general and on the operations of different organisations in particular. Due to the prevailing COVID-19 situation in South Africa, the performance of the MTPA during the 2020-21 financial year was negatively impacted on. The country was on lockdown for the whole financial year, ranging from Alert Level 5 to Alert Level 1. However, the Agency continued to function albeit under tight COVID-19 lockdown regulations.

The implementation of the Human Resource Strategy continued during this reporting period. One of the key milestones achieved on the implementation of the Human Resource Strategy is the approval of the new organisational structure. The new organisational structure was developed based on the findings of the Organisational Health Audit that was conducted in the 2018/19 financial year. The continued implementation of the Human Resource Strategy saw a steady development towards general orginisational stability in the top management of the Agency. One Executive Management position was filled during this reporting period i.e. the Chief Financial Officer. Two key managerial positions were also filled during the period under review, i.e. Section Head responsible for Facility Management at Manyeleti Nature Reserve and Demand and Acquisition Manager in the Finance unit. A Company Secretary was appointed on a twelve months fixed contract. The Agency, further finalised the Work Intergrated Learning for 3 youths that were trained as pilots and 5 youths that were awarded bursaries on Scientific Services. One of the 5 Scientific Services bursary holders was permanently employed during the period under review. The remaining four bursars will be absorbed in the coming financial year including the three pilots that have also completed their training.

Whereas the process of commercialising Zithabiseni Resort and Conference Centre was finalised in 2019-2020 financial year, the actual handover to the Commercial Operator had not taken place, hence the staff transfer process was not finalised. As a result, Zithabiseni Resort and Conference Centre is still managed by the Mpumalanga Tourism and Parks Agency.

The lack of key technical officials has a greater impact on the service delivery. The Agency has been improvising with the limited available technical officials and has supplemented by external service providers. There is a need to fill the vacant critical positions within the Project Management Unit.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The process to amend the Mpumalanga Tourism and Parks Agency Act , 2005 (Act No. 5 of 2005), so as to redefine certain expressions; to amend the powers and functions of the Agency; and to provide for matters connected therewith was initiated for the period under review. The Mpumalanga Tourism and Parks Agency amendment Bill, 2021 was circulated for comment and in preparation for publication in the government gazette.

2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The impact statement for the Agency is: Effective and sustainable management of protected area network and ecosystems in the province which provides adequate job opportunities and a thriving biodiversity and innovative tourism development.

In terms of the Medium Term Strategic Framework, two of the outcomes which the Agency was focused on were an Improved Financial Performance and a Transformed Tourism and Biodiversity industries. The outputs which the programme aimed for, were the diversification of tourism product offerings, quality hospitality tourism and concession businesses owned by Historically Disadvantaged Individuals. Commercialisation of assets and activities allows the Agency to generate additional revenue for nature conservation operations, whilst maintaining financial and ecological stainability.

During the year under review, the Agency continued to pursue commercial opportunities to build and/or operate eco-tourism facilities in the MTPA protected areas, in spite of the challenges posed by landowners, which in most cases slow down the unlocking of potential to benefit both the state and themselves in the utilisation of the assets. The Agency prioritised negotiations for the implementation of the PPP God's Window Skywalk Project. The COVID-19 pandemic added to the challenges experienced which saw the tourism numbers going down, affecting own revenue generation of the nature reserves. As a result, this affected the potential income from concessionaires who indicated their inability to pay the MTPA concession fees as agreed.

A blanket increase of tariffs was not going to be feasible in the financial year under review, due to the impact of COVID-19 on the economy and the tourism sector at large, as a result the Agency decided not to increase most of the tariffs. Some tariff adjustments were made with regards to a dual pricing system for domestic and international tourists, in order to boost own revenue generation.

The Management Effectiveness of the 17 MTPA nature reserves declined significantly during the 2020-21 period. Only 22% of the area of the nature reserves achieved the national target score of 67% as reflected during the annual METT assessment. Since 2018, the METT score for nature reserves has been declining (88.45% of the area of nature reserves achieved the METT score of 67% in 2018). The decline in METT score is attributable to a number of factors, not least of all the ever dwindling budgets to manage operations on the nature reserves, poor state of the infrastructure on the nature reserves and the high vacancy rate amongst key staff, such as field rangers, which limits the ability to secure biological resources within the nature reserves and lastly the impact of COVID-19.

The restrictions and limitations to concerning to COVID-19 pandemic also placed additional pressure on the MTPA to effectively manage the nature reserves and in particular declining income from within the Biodiversity programme from R51 million in 2019/20 to just under R14 mil. In 2020/21 financial year (a decline of 72,5%) primarily due to lower visitor numbers further contributed towards the already declining management effectiveness of the nature reserves.

External funded (DFFE, EPWP) projects and programmes during this time have provided a lifeline to the MTPA nature reserves and during 2020-2021 financial year ,jobs were created amounting to 546 within various programmes and projects which are critical in supporting the management of the nature reserves. Such programmes include the Environmental Monitor programme and EPWP. More than 50% of these work opportunities were filled by women and in some of the projects, such as the Youth Environmental Services (YES) programme, 100% of the work opportunities went to the youth.

Programme/Project	Men	Women	% Youth	TOTAL
Environmental Monitor	69	87	77.6	156
EPWP	84	54	60	354
Fire Management	84	61	60	145
Youth Environmental Services	9	27	100	36
Special Project	20	51	48	71
TOTAL	266	280	69.1	**762**

During 2020-2021, the MTPA managed to complete the necessary public participation consultation processes and conduct assessment for the three new areas to be declared as protected areas. Three proposals were submitted to the MEC:DARDLEA for declaration as protected areas with a total of 23 327 hectares. The most **significant** area to be declared is the expansion of the Blyde River Canyon Nature Reserve (BRCNR) which will add a further 20 157 hectares to the existing BRCNR. The BRCNR is a major tourism attraction within Mpumalanga and adding further land to the nature reserve within the Mariepskop area will in the long term contribute to the tourism potential of the BRCNR once the land in question has been vested and transferred from National Government to the Province.

3.INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 PROGRAMME 1: EXECUTIVE OFFICE

Purpose

To provide strategic support and oversee specialist functions

Sub-programmes

- Office of the CEO
- Project Management Unit
- Communications and Public Relations
- Risk Management and Internal Audit
- Planning and Coordination
- Monitoring and Evaluation
- Security Management
- Zithabiseni Resort and Conference Centre

Outcomes

- Good corporate governance
- Improved Financial Performance

SUB-PROGRAMME: PROJECT MANAGEMENT UNIT

Purpose: The management of MTPA and Partnership Funded projects in order to improve infrastructure conditions in the nature reserves

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The activities planned for infrastructure upgrade were disturbed by the outbreak of the COVID-19 pandemic. All planned targets and procurement of service providers to implement the projects were put on hold due to budget reprioritisation

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved Financial Perfor-mance	Safe and conducive assets for con-ducting tourism and bio-diversity mandates	Number of nature reserves prioritised for building infra-structure upgrades	8 nature reserves prioritised for building infrastructure upgrades by 31 March 2019	7 nature reserves prioritised for building infrastructure upgrades by 31 March 2020	3 nature reserves prioritised for building infrastructure upgrades • Kroomdraai Camp chalets (Songimvelo nature reserve) • Swadini entrance gate (Blyde Canyon River nature reserve • Entrance gate at Andover nature reserve by 31 December 2020	Not achieved	3 nature reserves prioritised for building infrastructure upgrades were not achieved: • Kromdraai Camp chalets (Songimvelo nature reserve) • Swadini entrance gate (Blyde Canyon River nature reserve • Entrance gate at Andover nature reserve by 30 June 2020	The imposed COVID-19 Lockdown levels that put restrictions on the general operations of businesses and movement of people	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
		Number of nature reserves free of buildings with asbestos roof materials	Not assessed	Not assessed	2 nature reserves free of buildings with asbestos roof materials by 31 December 2020	Not achieved	2 nature reserves were not freed from buildings with asbestos roof materials by 30 June 2020	The imposed COVID-19 Lockdown levels that put restrictions on the general operations of businesses and movement of people	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
		Number of nature reserves provided with game proof fence	Not assessed	Not assessed	1 nature reserve provided with game proof fence (Mthethomusha Nature Reserve) by 31 December 2020	Not achieved	1 nature reserve was not provided with game proof fence (Mthethomusha Nature Reserve) by 30 June 2020	The imposed COVID-19 Lockdown levels that put restrictions on the general operations of businesses and movement of people	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Project Management Unit								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
None	None	None	None	None	None	None	None	None

All outcomes, outputs, output indicators and targets under this sub-programme were removed from the revised APP due to budget cuts reprioritised to fight against the spread of the COVID-19 pandemic.

SUB-PROGRAMME: RISK MANAGEMENT AND INTERNAL AUDIT

Purpose:

Foster a systematic and robust approach that will enable the agency to optimise its corporate governance to efficiently achieve its corporate goals

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

During the period under review, an audit action plan and risk management plan were developed to monitor resolving any noncompliance identified during the Audit. A fraud prevention plan and strategy were developed and implemented, however the announcement of the lockdown had a negative impact towards the 100% achievement of the fraud prevention plan. The unit assisted in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: Risk Management and Internal Audit									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
None	None	None	None	None	None	None	None	None	None

The annual target of the originally tabled Annual Performance Plan remained the same in the re-tabled Annual Performance Plan.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Risk Management and Internal Audit								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Good corporate gover-nance	Un-qualified audit opinion	Risk Manage-ment plan and Fraud Prevention Strategy implemen-ted	Not assessed	Not assessed	100% implementation of the Risk Management plan and Fraud Prevention Strategies by 31 March 2021	Implemented 90% of the Agency's Risk Management Plan and Fraud Prevention Strategy by 31 March 2021	10% of the Agency's Risk Management Plan and Fraud Prevention Strategy not implemented	Due to imposed measures of lockdown announced on the 15th March 2020, the spread of COVID-19 impacted on the implemen-tation of the risk manage-ment and fraud preven-tion strategy.
		Economic, efficient and effective use of Agency resources	Obtained an unqualified audit opinion	Not assessed	100% Implementation of Internal Audit Plan by 31 March 2021	Implemented 100% of the internal audit plan by 31 March 2021	None	Not Applicable

SUB-PROGRAMME: COMMUNICATIONS AND PUBLIC RELATIONS

Purpose:

Public Relations and Media Liaison

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Publicity of the Agency's activities was generated in various media platforms. The support included media engagements, interviews, hosting and continuous issuing of media statements of the activities performed. A number of media enquiries on the work conducted by the Agency were received during the year under review and were responded to and further published in various media platforms. The Agency's Communications Plan for COVID-19 was developed to ensure that constant messages were shared with the media on the efforts by the Agency to address the impact of COVID-19 pandemic to the tourism sector as well as the recovery plans performed by the Agency was implemented. The media coverage received was monitored on a monthly basis and a media monitoring reports were compiled indicating the various media platforms where coverage was received as well as the estimated number of circulation indicating how many people were reached through our communications efforts.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: Risk Management and Internal Audit									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
None	None	None	None	None	None	None	None	None	None

The annual target of the originally tabled Annual Performance Plan remained the same in the re-tabled Annual Performance Plan.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Project Management Unit								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Good corporate gover-nance	Improved commu-nication and awareness	Number of integrated commu-nication services provided	Not assessed	Not assessed	4 integrated communication services provided (internal communications, press releases, media engagements, responses to media enquiries, monthly media monitoring reports) by 31 March 2021	4 integrated communication services provided (internal communications, press releases, media engagements, responses to media enquiries, monthly media monitoring reports compiled) by 31 March 2021	None	Not applicable

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Project Management Unit								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Good corporate governance	Improved communi-cation and awareness	Number of integrated communi-cation services provided	Not assessed	Not assessed	4 integrated communication services provided (internal communications, press releases, media engagements, responses to media enquiries, monthly media monitoring reports) by 31 March 2021	4 integrated communication services provided (internal communications, press releases, media engagements, responses to media enquiries, monthly media monitoring reports compiled) by 31 March 2021	None	Not applicable

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
None	None

Reporting on the Institutional Response to the COVID-19 Pandemic

The Mpumalanga Tourism and Parks Agency (MTPA) established a COVID-19 Response Committee with the aim of responding to all COVID-19 related matters, since the outbreak of the COVID-19 pandemic,. The Committee's responsibility was to ensure that the agency is fully compliant with the health and safety protocols and guidelines as dictated by the National Institute of Communicable Diseases (NICD), World Health Organisation (WHO) and Department of Health (DoH) on how to contain the spread of the virus.

The Compliance Officers were further appointed for all the nature reserves and other offices of the MTPA in order to consider the health and safety of all employees, visitors, communities, contractors and other stakeholders valuable. In an effort to respond to all Alert Level Lockdowns, a response plan was drafted on how to implement procedures to ensure that the employer and employees work together in ensuring a safe and healthy working environment with minimum risks. A number of PPEs were procured for staff members as well as materials and tools used to fumigate all office spaces on a regular basis.

Furthermore, a number of procedures were implemented including communications plan, ICT plan, security protocols, quarantine sites, platoon measures as well as allowing the vulnerable employees over the age of 60 years to stay at home or work from home where possible. Tourism facilities under the management of the MTPA were temporarily closed and subsequently opened as the easing of operations were implemented. The agency further allocated other nature reserves to the Department of Health to be used as quarantine sites.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Programme/ Sub-Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Executive Offie Programme	Installation of COVID-19 utilities in all entrance gates and main entrances to office in the 17 active nature reserves and workstations of MTPA (water installation, handwash bays, liquid soaps paper towels and towel dispensers, masks, face and table shields, sanitiser equipments and bottles	All protected areas managed by MTPA in the three District Municipalities of Mpumalanga	All MTPA employees and visitors to the agency's nature reserves and offices	Not applicable	R2 673	R2 343	A systematic management of protected areas network, tourists attraction areas and office stations was introduced and effectively implemented.	Minimum COVID-19 cases were reported in the reserves and office stations

LINKING PERFORMANCE WITH BUDGET

Programme	2020/ 2021			2019/ 2020		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	7 840	7 844	(4)	9 169	9 994	(826)
Board Secretariat	3 700	3 704	(4)	4 537	6 046	(1 509)
Project Management	10 621	10 612	9	16 336	10 294	6 042
Communication and Public Relations	1 852	1 834	19	2 395	2 290	105
Risk management and Internal Audit	6 701	6 620	81	7 444	6 265	1 178
Planning and Coordination	2 289	2 300	(11)	2 289	2 167	123
Monitoring and Evaluation	154	152	2	686	0	686
Security Management	12 748	12 752	(4)	10 145	10 058	87
EPWP	2 858	2 954	(96)	2 500	2 351	149
Zithabiseni Resort	25 654	25 654	0	25 654	25 654	0
TOTAL	**74 418**	**74 426**	**(8)**	**81 154**	**75 120**	**6 034**
Joint Project Conservation expenses	6 665	6 665	0	1 762	1 762	0
Ringfenced projects	-		0	0	0	0
Total after Joint Project Conservation and Ringfenced expenses	**81 083**	**81 091**	**(8)**	**82 916**	**76 882**	**6 034**

3.2 PROGRAMME 2: OFFICE OF THE CFO

Purpose

Provide Financial Management Services

Sub-programmes

The Office of the CFO Programme comprises of the following sub-programmes:

- Financial and Management Accounting
- Supply Chain Management
- Asset Management

Outcomes

- Improved Financial Performance
- Transformed tourism and biodiversity industry

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Agency collected 76% percent of the planned revenue target of R21,512 million from various revenue streams within the MTPA operations. This is a significant contribution to improving the financial performance of the Agency given the COVID-19 pandemic that continue to affect the tourism travel and business market both on international tourists arrival and domestic trips. The Agency continued to spent its procurement of goods and services on the youth, women and people with disabilities as a drive towards achieving the outcome on the transformation of the suppliers industry. 44% of the total amount of goods and services procured was spent on women, youth and people with disabilities.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: **Financial and Management Accounting**									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Improved Financial Perfor-mance	Revenue collected	Amount of revenue collected from various revenue streams within the MTPA operations	Revenue collected increased to R58 million	R55.7 million revenue collected by 31 March 2020 collected by 31 March 2020	Revenue collection increased from R67,6 million to R69 million by 31 March 2021	R1.3 million revenue collected by 30 June 2020	Revenue collected less by R67.7 million by 30 June 2020	Tourism activities closed in the nature reserves in compliance with the COVID-19 National Lockdown	The annual target was revised due to the COVID-19 Lockdown which restricted the movement of domestic and international tourists who are the source of revenue.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Financial and Management Accounting								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Improved Financial Perfor-mance	Revenue collected	Amount of revenue collected from various revenue streams within the MTPA operations	Revenue collected increased to R58 million	R55.7 million revenue collected by 31 March 2020	R21,512 million revenue collected from various revenue streams within the MTPA operations by 31 March 2021	R16,445 million revenue collected from various revenue streams within the MTPA operations by 31 March 2021	Revenue collected is less by R5,067 million	COVID-19 Lockdown which restricted the movement of domestic and international tourist who are the source of revenue.
	Economic, efficient and effective use of agency resources	Number of financial manage-ment reports compiled	4 Financial Performance Reports analysed	4 Financial Performance Reports compiled by 31 March 2020	4 Financial management Reports compiled by 31 March 2021 • Financial performance report • Supply chain management compliance report • Assets management report	4 Financial management Reports compiled by 31 March 2021 • Financial performance report • Supply chain management compliance report • Assets management report	None	None
Transfor-med tourism and biodiversity industry	% of spend on procure-ment of goods and services from women, youth and people with disabilities	Percentage of the total amount of goods and services procured spent on women, youth and people with disabilities	Not assessed	Not Assessed	30% of the total amount of goods and services procured spent on women, youth and people with disabilities by 31 March 2021	44% of the total amount of goods and services procured spent on women, youth and people with disabilities by 31 March 2021	14% more of the total amount of goods and services procured was spent on women, youth and people with disabilities by 31 March 2021	Received more responses on the services requested from the designated service providers

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
Revenue collected is less by R5,067 million from a target of R21, 521 million	• Enhance revenue collection systems at various collection points by iimproving the existing cashless payment systems, survey lens cameras and drop boxes • Intensify destination marketing through the use of digital marketing systems such as social media, TV, radio, introduce virtual tours, host virtual conferences and seminars to profile product offerings

Reporting on the Institutional Response to the COVID-19 Pandemic

A R20 million COVID-19 Relief fund was established to assist Mpumalanga tourism businesses that are in distress and upgrade to infrastructure in the nature reserves. The infrastructrure upgrades were allocated R10 million to conduct upgrades to tourism products, improve revenue collection system and network in the reserves, construction of a day visitors lapa and shades in Manyeleti Nature Reserve, procured material and equipment for the supply of water, electricity and general maintenance of buildings.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Programme / Sub-Programme	Intervention	Geographic location (Province / District /local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggre-gation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Office of the CFO	Tourism Relief Fund	MTPA managed nature reserves in the Mpumalanga Province	Nature reserves in need of infrastructure upgrades	Not applicable	R10 000	R0	None	None

LINKING PERFORMANCE WITH BUDGET

	2020/ 2021			2019/ 2020		
Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CFO	1 283	1 285	(2)	1 593	1 455	138
Financial and Management Accounting	9 818	9 782	35	10 667	9 917	750
Supply Chain Management	6 342	6 342	(1)	6 407	6 246	161
Asset Management	6 786	6 785	1	10 241	12 496	(2 255)
TOTAL	**24 228**	**24 195**	**33**	**28 908**	**30 114**	**(1 206)**

3.3. PROGRAMME 3: CORPORATE SERVICES

Purpose

To provide effective and efficient management and business support

Sub-programmes

- Human Resources
- Legal Services
- Information Communications Technology, Management and Systems

Outcomes

- High performing workforce
- Good corporate governance

SUB-PROGRAMME: HUMAN RESOURCES

Purpose

Human Resource Support Services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The planned targets on the review and development of human resources policy were not achieved due inability of labour to consult all their member under the COVID-19 restrictions for gatherings

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: Project Management Unit									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
None	None	None	None	None	None	None	None	None	None

The annual target of the originally tabled Annual Performance Plan remained the same in the re-tabled Annual Performance Plan.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Project Management Unit								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
High performing workforce	Healthy, equitable and motivated	Number of Human Resource Policies developed/ viewed	5 Human Resources policies developed/ reviewed and approved (general conditions of service, disciplinary code and procedure, sexual harassment, integrated health and wellness policy).	3 Human Resources policies developed/ reviewed and approved: • Code of Ethics Policy developed; • Skills Development Policy reviewed; • Succession Planning Policy reviewed by 31 March 2020.	4 Human Resource Policies developed/ reviewed (Recruitment, Bereavement, General Conditions of Service, Bursary review policies) by 31 March 2021	Not achieved.	4 Draft Human Resource Policies developed/ reviewed (Recruitment, Bereavement, General Conditions of Service, Bursary review policies) by 31 March 2021 therefore annual target	All four policies drafted but not reached Board approval stage due to challenges related to consultation process with labour. The process will be finalised in the new financial year.

SUB-PROGRAMME: LEGAL SERVICES

Purpose

Legal Support Services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Legal Services Unit has continued to provide legal services and support to the entire Agency especially through developing and/or reviewing contracts, managing litigation matters, providing legal opinions and advices on various issues. Further, in enlisting the services of the legal practitioners, wherever possible the locally based law firms run by historically disadvantaged individuals are considered and appointed. Furthermore, the Unit has continued to perform the duties of the Deputy Information Officer as designated by the CEO responding to PAIA requests received by the Agency. Lastly, one important court case which involves the Agency, namely: *Grand Valley Estates, Frederick Coenraad Daniel and 10 others v/s Mpumalanga Tourism and Parks Agency & 24 others : Case No: 34502/2010* at the North Gauteng High Court, Pretoria was set for trial on 27 July 2020 to 28 August 2020. However, that trial eventually got postponed *sine die*. That came after several case management meetings were held with the allocated judge. The outcome of those meetings confirmed it that the parties were not completely ready for trial hence the postponement.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: Legal Services									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
None	None	None	None	None	None	None	None	None	None

The annual target of the originally tabled Annual Performance Plan remained the same in the re-tabled Annual Performance Plan.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Legal Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Good corporate gover-nance	Updated legal case register	Number of updated legal case registers	4 updated legal case registers compiled and submitted	4 updated legal case registers submitted by 31 March 2020	4 updated legal case registers by 31 March 2021	4 legal case registers updated by 31 March 2021	None	Not applicable

SUB-PROGRAMME: INFORMATION TECHNOLOGY, MANAGEMENT AND SYSTEMS

Purpose

Information communication technology support as well as information and systems management

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The ICT budget was cut drastically during the period under review. As a result ICT only implemented operational activities. However, a comprehensive lockdown plan was developed and implemented to give employees support to operate during the COVID-19 pandemic. Employees performing essential and critical services were provided with ICT equipment to be able to work from home.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling.

Programme / Sub-programme: Information Technology, Management and Systems									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Effective and efficient ICT services	Phase 2 of the ICT strategy implemented	Number of elements of the phase 2 ICT strategy implemented	6 phase 1 elements of the ICT strategy implemented: • Connectivity in 5 nature reserves • Help desk introduced and utilised • Computer life cycle management policy developed • Board-room solution implemented with the new recorder and improved multi-media facility • Enhance the permit system • ICT security audit conducted	4 elements of the phase 2 ICT strategy achieved: • Performance Monitoring and Reporting Solution • Share Point initiative to includes archiving and registry • System Management Infrastructure solutions • Business continuity plan implemented by 31 March 2020	4 elements of the phase 2 ICT strategy implemented by 31 March 2021 • Voice Over IP(VOIP) • Business continuity plan and DRP • Automate manual register/ process • Enhance and roll-out the revenue collection system to all relevant nature reserves	Not achieved	4 elements of the phase 2 ICT strategy were not implemented by 30 June 2020 • Voice Over IP (VOIP) • Business continuity plan and DRP • Automate manual register/ process • Enhance and roll-out the revenue collection system to all relevant reserves	Budget re-prioritisation to control the spread of the COVID-19 pandemic	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Information Technology, Management and Systems								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
None	None	None	None	None	None	None	None	None

All outcomes, outputs, output indicators and targets under this sub-programme were removed from the revised APP due to budget cuts reprioritised to fight against the spread of the COVID-19 pandemic.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
Consultation on HR policies could not be finalised leading to the non achievement of the set target.	Specific timelines will be set and agreed on by all stakeholders to be consulted. Failing to adhere to the timelines agreed upon will lead to policies approved without the contribution of the stakeholder that could not make input to the policy on time. The consultation time frame will not be open ended.

LINKING PERFORMANCE WITH BUDGET

	2020/ 2021			**2019/ 2020**		
Programme	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Head Corporate Services	3 045	2 859	186	2 108	2 504	(396)
Human Resources	20 939	20 824	115	23 027	20 656	2 371
Legal Services	6 423	6 471	(48)	4 867	3 225	1 642
ICT	14 267	14 405	(138)	16 458	14 509	1 949
TOTAL	**44 674**	**44 559**	**116**	**46 460**	**40 894**	**5 566**
Joint Project Conservation expenses	899	899	0	1 247	1 247	0
Ringfenced projects	867	867	0		(0)	
Total after Joint Project Conservation and Ringfenced expenses	**46 440**	**46 324**	**116**	**47 707**	**42 141**	**5 566**

3.4. PROGRAMME 4: TOURISM

Purpose

Foster, promote and sustainably develop and market tourism

Sub-programmes

The Tourism Programme comprises of the following sub-programmes:

- Tourism Marketing
- Tourism Development
- Tourism Registration

Outcomes

- Increased job opportunities
- Transformed tourism and biodiversity industry

SUB-PROGRAMME: TOURISM MARKETING

Purpose

Market Mpumalanga Province as a Tourism Destination

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Agency successfully hosted a virtual tourism business event,"Heal the Nation Gospel", that was viewed by over 300 000 people showcasing Mpumalanga Province's unique attractions. A digital marketing campaign was conducted to the domestic travel market in order to encourage South Africans to visit the destination. The campaign was on all Mpumalanga Tourism and Parks Agency's social media platforms. Two charity golf days were hosted by the Agency in the Kruger National Park and Secunda to showcase Mpumalanga as a golf destination as well as to give confidence that Mpumalanga was open for business.

The priority of the sector is to resume full operations as early as it is safe to do so, but re-opening will just be the start of a difficult recovery. The situation required an urgent response, but also a recognition of the constraints that hamper Mpumalanga's tourism development.

The Agency was not able to sufficiently execute its mandate of fostering tourism and marketing Mpumalanga as a destination of choice due to the budget cut. The service delivery protests around the tourist attractions affected tourism business and the image of the destination.

The unmaintained roads leading to main tourism attractions further endangers a thriving tourism industry and affects business growth. The Eloise tropical storm also negatively affected the tourism businesses.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling.

Programme / Sub-programme: Tourism Marketing										
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Increased job opportuni-ties	Increased tourist arrivals	Number of leisure marketing activities conducted	14 leisure marketing activities conducted by 31 March 2019	12 leisure marketing activities (Winter, Festive and Easter campaigns, Getaway show, Mall exhibition, WTM Africa, Indaba, FIKANI, Sanganai, SAT UK School, 2x workshops) conducted by 31 March 2020	14 leisure marketing activities conducted. (Winter, Festive and Easter campaigns, Getaway show, Mall exhibition, Africa's Travel Indaba, FIKANI, Sanganai, SAT UK School, Innibos, USA Show, 2x workshops; ASA Roadshow) conducted by 31 March 2021	Not achieved	14 leisure marketing activities were not conducted. (Winter, Festive and Easter campaigns, Getaway show, Mall exhibition, Africa's Travel Indaba, FIKANI, Sanganai, SAT UK School, Innibos, USA Show, 2x workshops; ASA Roadshow) conducted by 30 June 2020	Leisure marketing activities were cancelled due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
	Increased tourist arrivals	Number of business events marketing activities conducted	10 business events marketing activities conducted by 31 March 2019	10 business events marketing activities (IMEX, SAACI Conference, Meetings Africa, Nabala-bantfu Festival, Mbombela Jazz Festival, Client/ Supplier Workshop, ICCA Congress, IMEX Las Vegas, 2x stakeholder engage-ments) conducted by 31 March 2020	12 business events marketing activities conducted by 31 March 2021 (IMEX Frankfurt, SAACI Conference, Meetings Africa, Nabalabantfu Festival, Mbombela Jazz Festival, Mbombela NYE, ICCA Congress, IMEX Las Vegas, 2x stakeholder engagements; Mpumalanga Cycling Tour, Prayer & Gospel Music Festival)	Not achieved	12 business events marketing activities conducted by 30 June 2020 (IMEX Frankfurt, SAACI Conference, Meetings Africa, Nabalabantfu Festival, Mbombela Jazz Festival, Mbombela NYE, ICCA Congress, IMEX Las Vegas, 2x stakeholder engagements; Mpumalanga Cycling Tour, Prayer & Gospel Music Festival)	Business events marketing activities were cancelled due to the COVID-19 National Lockdown regulations which restricted the conducting of business events and the movement of people	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic

Programme / Sub-programme: Tourism Marketing									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
	Increased tourist arrivals	Number of provincial marketing activities conducted	Not assessed	1 provincial marketing activity conducted: • PR campaign by 30 September 2019	2 provincial marketing activities conducted by 31 March 2021 (Social Media Campaign, In-flight Magazine promotion)	Project plan developed for 2 provincial marketing activities to be conducted by 31 June 2020: (Social Media Campaign, In-flight Magazine promotion)	2 provincial marketing activities were not conducted by 30 June 2020 (Social Media Campaign, In-flight Magazine promotion)	Provincial marketing activities were cancelled due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
	Increased tourist arrivals	Number of tourism cooperation activities conducted with the East 3-Route and Triland to implement the Regional tourism cooperation	2 activities conducted to implement the East3Route and Triland Regional Tourism cooperation Programmes by 31 March 2019	2 tourism cooperation activities conducted with the East3Route and Triland to implement the Regional Tourism cooperation programmes: • East3Route expedition • Triland Tour Operators workshop by 30 September 2019	2 tourism cooperation activities conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 31 March 2021 (Tour Operators tours, Networking Session)	Not achieved	2 tourism cooperation activities conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 30 June 2020 (Tour Operators tours, Networking Session)	Tourism cooperation activities were not conducted were cancelled due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
		Number of marketing activities conducted for the nature reserves	5 marketing activities conducted for the nature reserves by 31 March 2019	5 marketing activities conducted for the nature reserves • Tourism Indaba • Tourism Month, • Getaway show • Winter campaign • Beeld Holiday Show by 31 March 2020	9 Marketing activities conducted for the nature reserves by 31 March 2021 (Africa's Travel Indaba, 2x Mall Activations, Tourism Month campaign, Getaway Show, School Sales Call, Festive Season Campaign, Beeld Show, Easter Season Campaign)	Not achieved	9 Marketing activities conducted for the nature reserves by 30 June 2020 (Africa's Travel Indaba, 2x Mall Activations, Tourism Month campaign, Getaway Show, School Sales Call, Festive Season Campaign, Beeld Show, Easter Season Campaign)	The marketing activities for the nature reserves were not conducted due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic

Programme / Sub-programme: Tourism Marketing									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Increased job oppor-tunities	Increased tourist arrivals	Number of business events marketing activities conducted	10 business events marketing activities conducted by 31 March 2019	10 business events marketing activities (IMEX, SAACI Conference, Meetings Africa, Nabalabantfu Festival, Mbombela Jazz Festival, Client/ Supplier Workshop, ICCA Congress, IMEX Las Vegas, 2x stakeholder engagements) conducted by 31 March 2020	3 business events marketing activities conducted by 31 March 2021 (Mbombela Jazz Festival, Heal the Nation Prayer & Gospel Music Festival, Gert Sibande Liberation Route celebrations)	1 business event marketing activity conducted by 31 March 2021 (Heal the Nation Prayer & Gospel Music Festival)	2 business events marketing activities were not conducted by 31 March 2021 (Mbombela Jazz Festival and Gert Sibande Liberation Route celebrations)	The events were cancelled due to the increase in the number of COVID-19 cases reported during the period. The Mbombela Jazz Festival and Gert Sibande Liberation Route celebrations will be conducted in the second quarter of 2021-2022 financial year under COVID-19 protocols
	Increased tourist arrivals	Number of provincial marketing activities conducted	Not assessed	1 provincial marketing activity conducted: • PR campaign by 30 September 2019	1 provincial marketing activity conducted (e-marketing – website, email banners, social media platforms) by 31 December 2020	1 provincial marketing activity conducted (e-marketing – website, email banners, social media platforms) by 31 December 2020	None	Not applicable
	Increased tourist arrivals	Number of tourism co-operation	2 activities conducted to implement the East3Route and Triland Regional Tourism cooperation Programmes by 31 March 2019	2 tourism cooperation activities conducted with the East3Route and Triland to implement the Regional Tourism cooperation programmes: • East3Route expedition • Triland Tour Operators workshop by 30 September 2019	1 tourism cooperation activity conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 31 March 2021 (Networking Session with Tour Operators)	Not achieved	1 tourism cooperation activity not conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 31 March 2021 (Networking Session with Tour Operators)	The networking session was cancelled due to the unavailability of stakeholders of the cooperation programme.

Programme / Sub-programme: Tourism Marketing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
	Increased tourist arrivals	Number of tourism cooperation activities conducted with the East3Route and Triland to implement the Regional tourism cooperation program-mes	2 activities conducted to implement the East3Route and Triland Regional Tourism cooperation Programmes by 31 March 2019	2 tourism cooperation activities conducted with the East3Route and Triland to implement the Regional Tourism cooperation programmes: • East3Route expedition • Triland Tour Operators workshop by 30 September 2019	1 tourism cooperation activity conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 31 March 2021 (Networking Session with Tour Operators)	Not achieved	1 tourism cooperation activity not conducted with the East3Route and Triland to implement the Regional tourism cooperation programmes by 31 March 2021 (Networking Session with Tour Operators)	The networking session was cancelled due to the unavailability of stakeholders of the cooperation programme.
		Number of marketing activities conducted for the nature reserves	5 marketing activities conducted for the nature reserves by 31 March 2019	5 marketing activities conducted for the nature reserves • Tourism Indaba • Tourism Month, • Getaway show • Winter campaign • Beeld Holiday Show by 31 March 2020	2 Marketing activities conducted for the nature reserves by 31 March 2021 (Mpumalanga Parks weeks, E-marketing)	2 marketing activities conducted for the nature reserves by March 2021 (Mpumalanga Parks weeks, E-marketing valentine poster)	None	Not applicable

SUB–PROGRAMME: TOURISM DEVELOPMENT

Purpose

Develop and grow the tourism industry

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Fifteen product trainings were conducted in collaboration with Mpumalanga Travel Trade to emerging markets such as Asia, Australia. The agency ensured that businesses owned by women and the youth are afforded opportunities to show case their offerings. Non-financial support was also given to SMMEs in the province providing advise related to municipal tax incentives offered, business insurance and income tax issues.

Tourism month awareness campaign was conducted through media launch and positive coverage about the destination was received. Five hundred learners successfully underwent training through the National Department of Tourism programme managed by the MTPA

Table 2.4.4.1:

Programme / Sub-programme: Tourism Development									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Increased job opportunities	Improved signage of tourism facilities	Number of directional route signs installed	1 provincial signage plan developed by 31 March 2019	7 directional route signs installed by 31 March 2020	10 directional route signs installed (3x Gert Sibande, 2x Nkangala, 5x Ehlanzeni) by 31 March 2021	Project Plan developed for 10 directional route signs to be installed- (3x Gert Sibande, 2x Nkangala, 5x Ehlanzeni) by 31 March 2021	10 directional route signs were not installed (3x Gert Sibande, 2x Nkangala, 5x Ehlanzeni) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
	Increased tourism product diversification	Number of strategic heritage tourism projects implemented in Emgwenya (Waterval Boven)	2 strategic heritage tourism projects facilitated to diversify the tourism product offerings (Waterval Boven and Pilgrims Rest) by 31 March 2019	1 tourism project facilitated to diversify the tourism product offerings in Waterval Boven: • Cleaning and beautification by 30 Sept. 2019	1 strategic heritage tourism project implemented in Emgwenya (Waterval Boven) (Upgrade of the Train Disaster Site) by 31 March 2021	Project plan was developed for the implementation of 1 strategic heritage tourism project by 30 June 2020 for Emgwenya (Waterval Boven) (Upgrade of the Train Disaster Site)	1 strategic heritage tourism project was not implemented in Emgwenya (Waterval Boven) (Upgrade of the Train Disaster Site) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic

Programme / Sub-programme: Tourism Development									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
	Increased strategic heritage tourism product diversifi-cation	Number of strategic heritage tourism projects imple-mented in Pilgrim's Rest	2 strategic heritage tourism projects facilitated to diversify the tourism product offerings (Waterval Boven and Pilgrims Rest) by 31 March 2019	1 tourism project facilitated to diversify the tourism product offerings in Pilgrim's Rest: • Cleaning and beautificat-ion by 31-Dec 2019	2 strategic heritage tourism projects implemented in Pilgrims Rest (Upgrade Digging site, beautification of downtown main street) by 31 March 2021	Project plan developed for the implemen-tation of 2 strategic heritage tourism projects in Pilgrim's Rest (Upgrade Digging site, beautification of downtown main street) by 30 June 2020	2 strategic heritage tourism projects were not implemented in Pilgrims Rest (Upgrade Digging site, beautification of downtown main street) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
Increased tourism awareness	Number of Tourism Awareness activities conducted	10 Tourism Awareness activities conducted by 31 March 2019	10 Tourism Awareness activities conducted: · • 8 Tourism Forums · • Lilizela Awards · • 1 World Tourism Day by 31 December 2019	5 Tourism Awareness activities conducted (Lilizela Awards, World Tourism Day, 3x Tourism Outreach Campaigns) by 31 March 2021	Not achieved	5 Tourism Awareness activities were not conducted (Lilizela Awards, World Tourism Day, 3x Tourism Outreach Campaigns) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic	The annual target was deferred to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic
Improved tourism safety	Number of tourism safety initiatives conducted	Not assessed	Not Assessed	10 Tourism Safety Initiatives conducted (4 Tourism Safety Forum, 6 Tourism Safety Campaigns) by 31 March 2021	Not achieved	10 Tourism Safety Initiatives were not conducted (4 Tourism Safety Forum, 6 Tourism Safety Campaigns) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic	

Programme / Sub-programme: Tourism Development									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
	Improved tourism skills	Number of tourism skills training activities conducted	6 Tourism Training activities conducted by 31 March 2019	3 Tourism Training activities conducted ● exhibitors' training,2 x Tourist Guides training by 31 March 2020	6 tourism skills training activities conducted (Exhibitor's Training, Hospitality, New Venture Creation, Customer Care, 2x Tourist Guide Training) by 31 December 2020	Not achieved	6 tourism skills training activities were not conducted (Exhibitor's Training, Hospitality, New Venture Creation, Customer Care, 2x Tourist Guide Training) by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
Trans-formed tourism and biodiversity	Increased partici-pation of HDI owned products in the tourism industry	Number of new HDIs owned products supported to participate in the tourism industry	14 new HDI Owned products supported by 31 March 2019	15 new HDI Owned products supported to participate in the tourism industry by 31 March 2020	10 new HDI owned products supported to participate in the tourism industry by 31 March 2021	Not achieved	10 new HDI owned products were not supported to participate in the tourism industry by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
	Increased marketing access by existing HDI owned products.	Number of existing HDI owned products supported to gain market access	15 existing HDI owned products supported by 31 March 2019	20 existing HDI Owned products supported to gain market access by 31 December 2019	10 existing HDI owned products supported to gain market access by 31 March 2021	Not achieved	10 existing HDI owned products were not supported to gain market access by 30 June 2020	The imposed COVID-19 National Lockdown levels put restrictions on the movement of people and and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Tourism Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Increased job opportunities	Increased tourism product diversification	Number of funding proposals developed for the Emgwenya (Waterval Boven) train disaster tourism site and submitted to stakeholders for funding	Not assessed	1 tourism project facilitated to diversify the tourism product offerings in Waterval Boven: • Cleaning and beautification by 30 Sept 2019	1 funding proposal developed for the Emgwenya (Waterval Boven) train disaster tourism site and submitted to stakeholders (municipality and private sector) for funding by 31 March 2021	1 funding proposal developed for the Emgwenya (Waterval Boven) train disaster tourism site and submitted to stakeholders (municipality and private sector) for funding by 31 March 2021 Nkangala District Municipality and Nkanagala Regional Tourism Organisation	None	Not applicable
	Increased tourism awareness	Number of Tourism Awareness activities conducted	10 Tourism Awareness activities conducted by 31 March 2019	10 Tourism Awareness activities conducted: · • 8 Tourism Forums • Lilizela Awards · • 1 World Tourism Day by 31 December 2019	1 Tourism Awareness activity conducted: (MTPA Open day Experience (4X4 & Hiking Trails) by 30 September 2020	1 Tourism Awareness activity conducted: (MTPA Open day Experience 4X4 & Hiking Trails) by 30 September 2020	None	Not applicable
	Improved tourism safety	Number of tourism safety initiatives conducted	Not assessed	Not Assessed	6 Tourism Safety Initiatives conducted (Tourism Safety forums) by 31 March 2021	6 Tourism Safety Initiatives conducted (Tourism Safety forums) by 31 March 2021	None	Not applicable
	Improved tourism skills	Number of tourism skills training activities conducted	6 Tourism Training activities conducted by 31 March 2019	3 Tourism Training activities conducted • Exhibitors training, 2 x Tourist Guides training by 31 December 2019	1 tourism skills training activity completed (Hospitality New Venture Creation) by 31 December 2020	1 tourism skills training activity completed Hospitality New Venture Creation) by 31 December 2020	None	Not applicable

Programme / Sub-programme: Tourism Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Transfor-med tourism and bio-diversity industry	Increased participation of HDI owned products in the tourism industry	Number of new HDIs owned products supported to participate in the tourism industry	14 new HDI Owned products supported by 31 March 2019	15 new HDI Owned products supported to participate in the tourism industry by 31 March 2020	5 new HDI owned products supported to participate in the tourism industry by 31 March 2021	5 new HDI owned products supported to participate in the tourism industry by 31 March 2021	None	Not applicable
	Increased marketing access by existing HDI owned products.	Number of existing HDI owned products supported to gain market access	15 existing HDI owned products supported by 31 March 2019	20 existing HDI Owned products supported to gain market access by 31 December 2019	5 existing HDI owned products supported to gain market access by 31 March 2021	5 existing HDI owned products supported to gain market access by 31 March 2021	None	Not applicable

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
2 business events marketing activities were not conducted by 31 March 2021 (Mbombela Jazz Festival and Gert Sibande Liberation Route celebrations)	The business events marketing activities will be conducted virtually.
1 tourism cooperation activity was not conducted with the East3ROUTE and Triland to implement the Regional tourism cooperation programmes (Networking Session with Tour Operators)	Conduct the Networking Session with Tour Operators virtually.

Reporting on the Institutional Response to the COVID-19 Pandemic

The outbreak of the COVID-19 pandemic early in the year 2020 sent an acute distress to the tourism industry worldwide as governments had to restrict the movements of people either as tourists or doing business. The national government introduces COVID-19 Lockdown to curb the spread of the pandemic.
The tourism sector was the hardest hit. Sustaining businesses and jobs in the sector is crucial towards recovery after the nationwide Lockdown due to the COVID-19 pandemic.

The MTPA working together with the provincial Department of Economic Development and Tourism developed a Tourism Recovery Plan that emphasises the need to find alternative sources of funding in order to continue to promote the province as a destination of choice and facilitate investments and partnerships for the upkeep of infrastructure and the protection of biological assets.

The Department established a COVID-19 Tourism Relief Fund capitalised at R20 million. The fund was shared equally between tourism SMME in business distress and the other half focusing on the upgrade of tourism facilities maintenance in the nature reserves. Tourism businesses were invited to apply for the COVID-19 Tourism relief funding. This is in support of the National Tourism Relief Initiative focusing on Mpumalanga's Small, Medium and Micro enterprises (SMMEs) in distress due to the pandemic. The funding was made available to all those tourism businesses that did not benefit from the National Tourism Relief Funding and any other funding provided by the South African Government. The fund received 472 applications from different tourism business activities. Evaluation have been completed and disbursement of the funds to qualifying applicants will be completed in the first quarter of the new financial year.

(SMMEs) in distress due to the pandemic. The funding was made available to all those tourism businesses that did not benefit from the National Tourism Relief Funding and any other funding provided by the South African Government.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Programme/ Sub-Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Tourism	SMME Tourism Relief Fund	Tourism businesses in the Mpumalanga that did not benefit from the National Tourism Relief Fund	SMME Tourism businesses	All tourism businesses in distress	R10 000	Disbursement of the fund to qualifying tourism business will be done in the 1st quarter of the 2021-2022 financial year	Continuously provide business service to tourists	Reduce job losses

LINKING PERFORMANCE WITH BUDGET

	2020/ 2021			2019/ 2020		
Programme	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Head Tourism	1 468	1 470	(3)	2 901	2 797	104
Tourism Development	21 246	11 210	10 036	20 082	17 779	2 303
Tourism Marketing	12 709	12 708	1	19 385	19 557	(171)
Tourism Registration	2 362	2 367	(4)	2 560	2 492	68
TOTAL	**37 785**	**27 755**	**10 030**	**44 928**	**42 625**	**2 303**
Joint Project Conservation expenses	0	0	0	0	0	0
Ringfenced projects	1 558	1 558	0	1 036	1 036	0
Total after Joint Project Conservation and Ringfenced expenses	**39 343**	**29 313**	**10 030**	**44 928**	**43 660**	**2 303**

3.5 PROGRAMME 5: BIODIVERSITY CONSERVATION

Purpose

Management and conservation of biodiversity and eco-systems within the province

Sub-programmes

- Protected Areas management and Development
- Biodiversity Support Services
- Conservation Services

Outcomes

- Transformed tourism and biodiversity industry
- Sustainably and effectively managed protected areas network, heritage resources and ecosystem in the province
- Reduced wildlife crime within the province's protected area network and ecosystem

SUB-PROGRAMME: PROTECTED AREAS MANAGEMENT AND DEVELOPMENT

Purpose

Management and conservation of biodiversity in protected areas and management and maintenance of facilities within Protected Areas

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Agency's managed nature reserves were assessed and a score of 22% of the area of provincial protected areas assessed with a METT score above 67% was achieved. The nature reserves were assessed to determine the Agency's proficiency and effectiveness towards the management of its nature reserves, its biodiversity, heritage sites, ecosystems, management systems and infrastructure.

Ongoing infrastructure development in nature reserves is guided and linked to the approved Integrated Management Plans (IMP) and Integrated Tourism Master Plans in nature reserves. The Applicable Environmental Legislations such as the NEMA, NEMPAA and NEMBA are enforced for environmental compliance in nature reserve.

The commencement of EPWP work opportunities created was delayed in quarter 1 of performance due to the restrictions on COVID-19 pandemic lockdown, however more jobs were then created in Q3 and Q4 from the savings made in Q1 of performance which led to the achievement of 354 work opportunities created out of a target of 325 for the year under review.

The programme compiled two development plans for the Barberton Makhonjwa Mountain World Heritage Site (BMM-WHS) as planned which are the review of the Integrated Management Plan and the infrastructure development plan for Geo-sites, nodal points, WH & SAHRA signs, plinth, interpretation and visitor center by the end of March 2021 as planned.

The COVID-19 pandemic negatively impacted on the achievement of targets in that the Agency operated with a reduced personnel compliment on the Agency's structure, the pandemic has restricted and reduced law enforcement operations as well as the movement of both local and internationally visitors limiting the Agency's revenue enhancements and maximisation plans.

The community protest actions in nature reserves such as in the Manyeleti and Mthethomusha industrial strike action impacted on the Agency's achievement of targeted revenues, tourist inflows and visitation to nature reserves. The programme annual operations targets were compromised by the limited budget allocation to intervene on the efforts of Government to curb and fight the COVID-19 pandemic.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabline

Programme / Sub-programme: Protected Areas Management and Development									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Sustainably and effectively managed protected areas network, heritage resources and ecosystem in the province	Improved management of protected areas network	% of the area of provincial protected areas assessed with a METT score above 67%	Provincial protected areas managed by MTPA assessed with a METT obtained a score of 88,45%	Not achieved	89% of the area of provincial protected areas assessed with a METT score above 67% by 31 March 2021	Not achieved	Assessment was not conducted to determine the area of provincial protected areas with a METT score above 67% by 30 June 2020	The % of the area of provincial protected areas assessed with a METT score above 67% was revised due to the COVID-19 National Lockdown which put restrictions on the movement of people and budget cuts	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
	EPWP Work opportunities created	Number of work opportunities created through EPWP	Not assessed	318 work opportunities created through EPWP by 31 March 2020	396 work opportunities created through EPWP by 31 March 2021	153 EPWP work opportunities created through EPWP by 30 June 2020	243 work opportunities were not created through EPWP by 30 June 2020	The planned work opportunities were not created due to the COVID-19 National Lockdown which put restrictions on movement people and business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic
	Infrastructure developed for the BMM-WHS	Number of deliverables on new infrastructure developed for the BMM-WHS	Not assessed	Not achieved	3 deliverables on new infrastructure development for the BMM-WHS: • 3 geo sites • 4 nodal points • 10 WH & SAHRA signs and plinth erected and constructed by 31 March 2021	Not achieved	3 deliverables on new infrastructure development for the BMM-WHS: • 3 geo sites • 4 nodal points • 10 WH & SAHRA signs and plinth were not erected and constructed by 30 June 2020	Deliverables were not developed due to the COVID-19 National Lockdown regulations which restricted the movement of people, business operations as well as budget cuts	The annual target was deffered to the 2021-2022 financial year due to budget re-prioritisation to control the spread of the COVID-19 pandemic

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Protected Areas Management and Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Sustainably and effectively managed protected areas network, heritage resources and ecosystem in the province	Improved management of protected areas network	% of the area of provincial protected areas assessed with a METT score above 67%	Provincial protected areas managed by the MTPA assessed with a METT obtained a score of 88,45%	Provincial protected areas were not assessed for effective management. Nationally, the METT Assessment of protected areas	30% of the area of provincial protected areas assessed with a METT score above 67% by 31 March 2021	22% of the area of provincial protected areas assessed with a METT score above 67% by 31 March 2021	8% more of the area of provincial protected areas assessed with a METT score above 67% by 31 March 2021	Inadequate budget allocation for effective management of protected areas
	EPWP work opportunities created	Number of work opportunities created through EPWP	Not assessed	318 work opportunities created through EPWP by 31 March 2020	325 work opportunities created through EPWP by 31 March 2021	354 work opportunities created through EPWP by 31 March 2021	29 more work opportunities were created	More jobs were then created when it became necessary to improve infrastructure conditions in order to comply with the COVID-19 protocols
	Plans developed for the BMM-WHS	Number of development plans compiled/ reviewed for the BMM-WHS	Not assessed	4 deliverables on new infrastructure development for the BMM-WHS not completed by 31 March 2020: • 2 geo sites • 2 gate-ways • 4 nodal points • 10 walkways, SAHRA signs and a plinth	• 2 development plans compiled for the BMM-WHS: • BMM-WHS Integrated Management Plan reviewed • Infrastructure development plan for Geo-sites, nodal points, WH & SAHRA signs, plinth, interpretation and visitor center by 31 March 2021	• 2 development plans compiled for the BMM-WHS: BMM-WHS Integrated Management Plan reviewed • Infrastructure development plan for Geo-sites, nodal points, WH & SAHRA signs, plinth, interpretation and visitor center by 31 March 2021	None	Not applicable

Purpose

Bio-diversity research, status monitoring and scientific support, engagement and development of neighbouring communities to protected areas and increase of land under conservation to achieve national targets.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Three proposals were submitted to the MEC for declaration as protected areas totalling 23 327 hectares. Once approval is received from the MEC for the declaration of these nature reserves, then the MTPA will publish the final declaration notice. The most significant area to be declared is the expansion of the Blyde River Canyon Nature Reserve (BRCNR) which will add a further 20 157 hectares to the existing BRCNR. The BRCNR is a major tourism attraction within the Mpumalanga Province and adding further land to the nature reserve within the Mariepskop area will in the long-term contribute to the tourism potential of the BRCNR.

The MTPA conservation education program for 2020-21 was focused on the development of conservation materials and lesson plans specifically, which are aligned with the school curriculum per grade. Due to COVID-19 pandemic the MTPA, was however not able to undertake any school visits and the planned presentations of the conservation materials developed will therefore only be implemented during 2021-22 financial year when schools attendance return to normality. People and Conservation has established a People and Parks Youth Committee for the province with relevant regional structures to ensure that the voice of the youth is heard from regional to national level with regard to community representation in conservation and natural resource benefits.

The MTPA Wildlife Economy transformation efforts was boosted by the initiative by the Department of Forestry, Fisheries and the Environment (DFFE), the South African National Defence Force (SANDF) and the South African National Parks (SANParks) subsequent to the commitment by the SANDF to donate plain Game species to potential previously disadvantaged individuals beneficiaries with potential Game Farms/ Land in different provinces as their contribution to the wildlife economy industry transformation.

The MTPA identified the land restituted and handed over to the Communal Property Association (CPA), entered into long-term lease agreement and owned by the previously disadvantaged individuals with potential for reinstatement as Game Farms to stimulate socio-economic development. The following sites were visited and assessed by the SANParks and the MTPA task team during the period under review which are Kleinfontein 111JT, Geluk 348 JT, Strathmore 214 JT, Doornhoek 60 JT, Welgeluk 371 JT and Elandshoek 536 JT. The task team assessment focused on the acceptable ecosystem limit based on the veld condition, water provision, game fence status amongst others as basic requirements to satisfy the minimum requirement for sustainable Game Farm management and the re-introduction of available game species.

With regard to a well maintained functional biodiversity information management system, the MTPA has over the reporting period maintained and improved on its biodiversity information management system. The MTPA makes use of the Esri's 'ArcGIS Online for Organisations' system which allows it to create and maintain its own web-based Global Information System (GIS) site, thus enabling the sharing of biodiversity information with staff and the public, as well as the ability to collect and store biodiversity information important for the MTPA. The link to this site is https://mtpa.maps.arcgis.com/home/index.html.

The MTPA and the Andover-Lemmington CPA finalised and signed the co-management agreement during the year under review which strengthened the cooperation for sustainable development of the Andover Nature Reserve as anticipated to open more socio-economic development opportunities as anticipated. However, the CPA took more time than expected to peruse and reach consensus on the draft hunting agreement.

Table 2.4.4.1:

Report against the originally Annual Performance Plan until date if re-tabling

Programme / Sub-programme: Information Technology, Management and Systems								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
None	None	None	None	None	None	None	None	None

*The annual target of the originally tabled Annual Performance Plan remained the same in the re-tabled Annual Performance Plan

Report against the re-tabled Annual Performance Plan.

Programme / Sub-programme: Conservation Support Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Sustain-ably and effectively managed protected areas network, heritage resources and ecosystem in the province	Proposals for biodiver-sity steward-ship sites submitted to the MEC to be gazzetted as protected areas	Number of proposals for biodiversity steward-ship sites submitted to the MEC to be gazetted as Protected Areas	Not assessed	Submitted proposals for 5 biodiversity stewardship sites totaling 24 748 hectares to the MEC to be gazetted as Protected Areas by 31 March 2020	Submit proposals for 2 biodiversity stewardship sites totalling 20 000 hectares to the MEC to be gazetted as protected areas by 31 March 2021 • Bezuiden-houthoek nature reserve • Blyde River Canyon Expansion	Submitted proposals for 3 biodiversity stewardship sites totalling 23 327 hectares to the MEC to be gazetted as protected areas by 31 March 2021 • Bezuiden-houthoek nature reserve • Blyde River Canyon Expansion • Afrikan Farms PE	A total of 3 327 ha achieved above the annual target was due to the addition of the Afrikan Farms PE to the proposals submitted	Positive engagement and commitment by the land owners led to this additional site proposal submitted to the MEC for gazetting
	River Ecostatus monitored	Number of river ecostatus reports compiled	1 assessment report compiled on the Komati River Ecosystem Health by 31 March 2019	Not assessed	1 river ecostatus report compiled (Sabie River) by 31 March 2021	1 river ecostatus report compiled (Sabie River) by 31 March 2021	None	Not applicable
Sustain-ably and effectively managed protected areas network, heritage resources and ecosystem in the province	Well prepared Biodiversity conser-vation awareness program-mes	Number of biodiversity conser-vation awareness program-mes developed	128 136 learners provided with conservation education.	91 025 learners provided with conservation education by 31 March 2020	32 biodiversity conservation awareness programmes developed by 31 March 2021	33 biodiversity conservation awareness programmes developed by 31 March 2021	1 more biodiversity conservation awareness programme developed	One school requested that they be assisted to develop a programme on nature.

Programme / Sub-programme: Conservation Support Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Transfor-med tourism and biodiversity industry	Biodiversity economy ininitiatives implemen-ted	Number of Biodiversity Economy projects initiated and a hunting agreement signed	Not assessed	1 Biodiversity Economy initiative for Mndawe Game Donation project by 31 March 2020	1 Biodiversity Economy project initiated and a hunting agreement signed for Andover Nature Reserve by 31 March 2021	1 Biodiversity Economy project initiated and no hunting agreement signed: Andover Nature Reserve by 31 March 2021	No hunting agreement signed for Andover Nature Reserve by 31 March 2021	The Andover-Lemmington CPA took time to peruse and reach consensus on draft hunting agreement. Finalise hunting agreement in the 2021/2022 financial year

SUB–PROGRAMME: CONSERVATION SERVICES

Purpose

Manage and propagate threatened wildlife, Compliance monitoring, wildlife management, enforcement and permits

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

In terms of the compliance to legal obligations, 110 inspections were conducted out of a target of 65 inspections with 100% compliance.

A total of 330 administrative enforcement notices issued for non-compliance with environmental legislation which means that 285 more administrative enforcement notices were issued for non-compliance with environmental legislation for the period under review. Follow-up with the Clerk of the Court for admission of guilty payment and/or further prosecution is ongoing.

The prosecution and payment of the admission of guilty fines for the administrative enforcement notices issued to offenders for non-compliance with environmental legislation is the competency of the magistrate courts through the Clerk of the Court which is beyond the MTPA mandate.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme: Conservation Services									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Reduced wildlife crime within the province's protected area network and ecosystem	Improved levels of compliance with the relevant legislations	Percentage of compliance to legal obligations in respect of licensed facilities inspected	84 inspec-tions conducted.	169 compliance inspections conducted by 31 March 2020	70% compliance to legal obligations for 130 compliance inspections conducted by 31 March 2021	70% compliance to legal obligations for 13 compliance inspections conducted by 30 June 2020	117 less inspections not conducted by 30 June 2020	Inspections were not conducted due to the COVID-19 National Lockdown regulations which restricted the movement of people, business operations	The annual target was due to budget re-prioritised to control the spread of the COVID-19 pandemic
	Administra-tive en-forcement	Percentage compliance to the number of administra-tive enforce-ment notices issued for non-compliance to environ-mental legislation	Not assessed	245 admini-strative enforcement notices issued for non-compliance with environ-mental legislation by 31 March 2020	70% compliance with 85 administrative enforcement notices issued for non-compliance with environ-mental legislation by 31 March 2020	0% compliance with 102 administrative enforcement notices issued for non-compliance with environ-mental legislation by 31 March 2021	0% compliance with 102 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021	Notices submitted to the Clerk of the Courts were not processed to deter-mine the % of com-pliance due to the COVID-19 National Lockdown regulations which restricted the movement of people, business operations	The annual target was revised due to budget re-prioritised to control the spread of the COVID-19 pandemic

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Conservation Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Reduced wildlife crime within the province's protected area network and ecosystem	Improved levels of compliance with legal obligations	Percentage of compliance to legal obligations in respect of licensed facilities inspected	84 inspections conducted.	169 compliance inspections conducted by 31 March 2020	70% compliance to legal obligations for 65 inspections conducted on licensed facilities by 31 March 2021	100% compliance to legal obligations for 110 inspections conducted on licensed facilities by 31 March 2021	30% more compliance to legal obligations of 110 more inspections conducted on licensed facilities	More compliance inspection for licensed facilities due to high demand
	Administrative enforcement notices issued for non-compliance to environmental legislation	Percentage of compliance to the number of administrative enforcement notices issued for non-compliance to environmental legislation	Not assessed	245 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2020	70% compliance with 45 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021	70% compliance with 330 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021	70% compliance with 285 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021	Follow-up made with clerk of the court for admission of guilty payment and/or further prosecution ongoing

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
1 Biodiversity Economy project initiated but no hunting agreement signed for Andover Nature Reserve by 31 March 2021	Facilitate the signing of Andover-Lemmington hunting agreement in 2021/22 financial year

LINKING PERFORMANCE WITH BUDGET

	2020/2021			2019/ 2020		
Programme	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Head Biodiversity Conservation	1 880	1 875	4	1 940	3 059	(1 120)
Protected Area Management	200 499	200 547	(48)	207 489	215 044	(7 556)
Biodiversity Support Services	10 318	10 321	(3)	11 927	8 928	2 999
Conservation Services	21 225	21 341	(116)	24 998	21 324	3 674
TOTAL	**233 922**	**234 085**	**(163)**	**246 353**	**248 356**	**(2 002)**
Joint Project Conservation expenses	213	213	0	212	212	0
Ringfenced projects	12	12	0	2 947	2 947	0
Total after Joint Project Conservation and Ringfenced expenses	**234 146**	**234 310**	**(163)**	**249 513**	**251 515**	**(2 002)**

3.6. PROGRAMME 6: COMMERCIAL OPERATIONS

Purpose

To sustainably improve revenue generation and collection in order to secure the future existence of the MTPA

Sun-Programmes

- Hospitality Service Management
- Business Development

Outcomes

- Improved Financial Performance
- Transformed tourism and biodiversity industry

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Commercial Operations programme achieved all its annual targets, the main highlight being the successful conclusion of negotiations with the preferred bidder of the God's Window Skywalk PPP project. This was followed by the submission of TA III application to the National Treasury. The commercialisation process of the Belvedere Guesthouse at the Blyde River Canyon Nature Reserve and the Bush camp at Manyeleti Nature Reserve were finalised as investors were appointed. The agency was also able to source an investor to renovate and upgrade the Restaurant at Manyeleti Nature Reserve. As product diversification is vital in attracting tourists, a new product in a form of a Bush Braai service was introduced at Loskop Dam Nature Reserve. The appointment of all operators prioritised women from previously disadvantaged backgrounds.

Table 2.4.4.1:

Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme: Commercial Operations									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Improved Financial Perfor-mance	Quality hospitality tourism	Number of hospitality tourism facilities assessed and awarded a level grading by the Tourism Grading Council of South Africa (TGCSA)	Not Assessed	Not Assessed	2 hospitality tourism facilities assessed and awarded a level grading by the Tourism Grading Council of South Africa (TGCSA) • Andover nature reserves renewal of the facilities's grading • Manyelelti nature reserve new application for grading by 31 March 2021	Not achieved	2 hospitality tourism facilities were not assessed and awarded a level grading by the Tourism Grading Council of South Africa (TGCSA) • Andover nature reserves renewal of the facilities's grading • Manyelelti nature reserve new application for grading by 30 June 2020	Hospitality tourism facilities assessments were cancelled due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	Budget reprioritisation as a result of the impact of COVID-19 on the tourism industry and business operations.

Programme: Commercial Operations									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Improved Financial Perfor-mance	Diversified tourism product offerings	Number of tourism products offering developed	Not Assessed	Not Assessed	2 tourism products offering developed • New Camping Site in Loskop Dam Nature Reserve • New bushbraai in Loskop Dam Nature Reserve by 31 March 2021	Not achieved	2 tourism products offerings were not developed • New Camping Site in Loskop Dam Nature Reserve • New bushbraai in Loskop Dam Nature Reserve by 30 June 2020	Tourism products offerings were not developed due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	Budget reprioritisa-tion as a result of the impact of COVID-19 on the tourism industry and business operations.
		Number of PPP tourism projects commen-ced	Not achieved	Not achieved	1 PPP tourism project commenced: God's Window Skywalk by 31 March 2021	Not achieved	1 PPP tourism project commen-ced: God's Window Skywalk by 30 June 2020	Tourism products offerings were not developed due to the COVID-19 National Lockdown regulations which restricted the conducting of events and the movement of people.	Budget repriori-tisation as a result of the impact of COVID-19 on the tourism industry and business operations.

Table 2.4.4.2:

Report against the re-tabled Annual Performance Plan

Programme: Commercial Operations								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations**
Improved Financial Perfor-mance	Quality hospitality tourism.	Number of hospitality tourism facilities assessed and awarded a level grading by the Tourism Grading Council of South Africa (TGCSA)	Not Assessed	Not Assessed	1 hospitality tourism facility assessed and awarded a level grading by the Tourism Grading Council of South Africa(TGCSA) by 31 March 2021 • Andover Nature Reserve's annual grading review	1 hospitality tourism facility assessed and awarded a level grading by the Tourism Grading Council of South Africa(TGCSA) by 31 March 2021 • Andover Nature Reserve's annual grading review	None	Not applicable
	Diversified tourism product offerings	Number of tourism products offering developed	Not Assessed	Not Assessed	1 tourism product offering developed by 31 March 2021 • New bush braai in Loskop Dam Nature Reserve	1 tourism product offering developed by 31 March 2021 • New bush braai in Loskop Dam Nature Reserve	None	Not applicable
		Number of PPP conces-sion agree-ments negotiated and concluded	Not achieved	Not achieved	1 PPP concession agreement negotiated and concluded for the God's Window Skywalk Project by 31 March 2021	1 PPP concession Agreement negotiated and concluded for the God's Window Skywalk Project by 31 March 2021	None	Not applicable
Transfor-med tourism and bio-diversity industry	Conces-sion businesses owned by HDs	Number of new concession agree-ments signed	Not achieved	Not achieved	2 new concession agreements signed by 31 March 2021: • Manyeleti Bush Camp • Belvedere Guesthouse	2 new concession agreements signed by 31 March 2021: • Manyeleti Bush Camp • Belvedere Guesthouse	None	Not applicable

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Area of under performance	Strategy to overcome areas of under performance
None	None

LINKING PERFORMANCE WITH BUDGET

	2020/ 2021			2019/ 2020		
Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Commercial Operations	4 783	4 473	310	9 771	5 489	4 282
TOTAL	**4 783**	**4 473**	**310**	**9 771**	**5 489**	**4 282**

4. REVENUE COLLECTION

Sources of revenue	2020/ 2021			2019/ 2020		
	Estimate	Actual amount collected	(Over) / under collection	Estimate	Actual amount collected	(Over) / under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods	1 607	1 729	(122)	7 000	6 865	135
Rendering of services	16 395	8 841	7 553	45 500	34 227	11 273
Concession fees	2 340	2 363	(22)	5 000	6 471	(1 471)
Rental income	58	225	(167)	175	281	(106)
Recoveries	269	282	(14)	260	313	(53)
Wildlife sales	45	206	(161)	5 000	2 191	2 809
Sundry income	199	1 914	(1 716)	3 565	3 165	400
Interest received	600	883	(283)	1 100	2 234	(1 134)
TOTAL	**21 512**	**16 445**	**5 067**	**67 600**	**55 747**	**11 853**
Non Cash Revenue transactions	0	3 336	(3 336)	0	0	0
Joint Project Conservation income	0	6 955	(6 955)	2 709	2 709	0
Ringfenced projects	0	-	0	0	0	0
Unspend Reserves	21 895	21 895	0	0	0	0
Total after Joint Project Conservation income and Non cash Asset Donation	**43 407**	**48 631**	**(5 224)**	**70 309**	**58 456**	**11 853**

5. CAPITAL INVESTMENT

The planned projects in the 2020/2021 finacial year faced multiple challenges amongst which was the closure of all construction activities in the first quarter and most of the second quarter due to the COVID-19 pandemic. The Eloise Tropical Storm in the fourth quarter of the 2020-2021 financial year also impact negatively on the implementation of project and general maintenance within the nature reserves.

The planned capital projects funded by the MTPA for the year under review were deffered to the 2021-2022 financial year due to budget cuts. The agency then focused on maintenance of infrastructure within the nature reserves as and when is required. However multi-year capital projects that were in progress and funded by external stakeholders (National Department of Tourism and Department of Forestry, Fisheries and the Environment) continue. The National Department of Forestry, Fisheries and the Environment (DFFE) funded most of the capital infrastructure upgrade within the MTPA protected areas: Barberton, Orighstad, Loskop Dam, Nooitgedacht Dam and Mahushe Shongwe nature reserves. The Universal Access project funded by the NDT is still under the procurement phase, with plans to commence implementation in the 2021/2022 financial year.

The 2020/2021 financial year has seen a drop in the number of infrastructure maintenance projects being implemented within the MTPA protected areas. The progress with regards to maintenance of the infrastructure have been unsteady due to inadequate funding. However, the past year the agency has made a slight improvement in terms of infrastructure maintenance particularly on the upgrades of staff accommodation within the protected areas.

Infrastructure maintenance was conducted in the following nature reserves:.

1.1.1. Manyeleti Nature Reserve - The maintenance of infrastructure included the repair of the fence, repairs to the water pipeline supplying the reserve and replacement of all the electrical fittings for 30 chalets and office complex.

1.1.2. Blyde Nature Reserve - The popular hiking trail facility received upgrades to encourage repeat visit, namely the renovation of the Waterval hiking trails huts and the renovation of the field rangers house. The stolen roof of both the buildings were replaced with a new roof structure and damaged water pumps and motors repaired.

1.1.3. Songimvelo Nature Reserve - The infrastructure upgrades activities implemented at Songimvelo, Kroomdraai camp, that is, the refurbishment of the ablutions in 25 chalets included new geyser installations and replacement of wall tiles. The replacement of damaged water pumps and installation of new electricity transformer to power the Msauli rangers picket was completed.

1.1.4. Sterkspruit Nature Reserve - The repair of leaking roofs at 5 staff houses and office complex were completed.

1.1.5. Mdala Nature Reserve - The restoration of electricity at the Zanspruit guest house, the main gate and Mkholwane Lodge were completed.

Bulk water supply improvements were completed at Andover, SS Skosana, Mabusa, Verloren Vallei, Barberton and Loskopdam Nature Reserves.

The agency has no plans to close down or downgrade any of the facilities under its management. The priority is to conduct upgrades to all existing facilities in order to attract more tourists.

The development of infrastructure is conducted within the budget allocated and therefore will not have a negative impact on the agency's current expenditure.

	2020/2021			2019/2020		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Blyde Nature Reserve Renovation of the Waterval hiking trails huts	R191	R191	R0	R0	R0	R0
Blyde Nature Reserve Renovation of the field rangers house – Waterval	R170	R170	R0	R0	R0	R0
Songimvelo Nature Reserve Refurbishment of the ablutions at Kromdraai	R439	R439	R0	R0	R0	R0
All the 19 MTPA manages nature reserves General infrastructure and facilities maintenance	R1 141	R1 141	R0	R0	R0	R0
TOTAL	**R1 841**	**R1 841**	**R0**	**R0**	**R0**	**R0**

Graskop Gorge Lift

PART C

Governance

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public Agency's enabling legislation, and the Companies Act, corporate governance with regard to public Agency's is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the Protocol on Corporate Governance, which encapsulates the principles contained in the King's Report on Corporate Governance.

The Executive and the Boards of the Public Agency are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

The MTPA responded and appeared before the Portfolio Committee on Premier's Office, Finance, Economic Development and Tourism to present the following reports:

- 04 June 2020 - Report on the impact of the COVID-19 pandemic
- 11 June 2020 - deliberate on the 2019-2020 Quarter 4 Performance Report and 2020-2021 Budget Vote and Annual Performance Plan
- 20 July 2020 - Response report on the Mpumanaga Adjusted Appropriation Bill 2020
- 29 October 2020 - Oversight Visit to SS Skosana Nature Reserve
- 19 November - Portfolio Committee Oversight Visit to Mawewe Cattle-Game Project
- 24 November 2020 - deliberate on the Quarter 2 Performance Report
- 12 March 2021 - Responses on Oral Reply Questions from DA, VF and ANC
- 16 March 2021 - Deliberate on the Quarter 3 Performance report, progress report on House Resolutions for 2018-19 Annual Report and Quarter 1 &2 Performance Report

PORTFOLIO COMMITTEE HOUSE RESOLUTIONS ON THE 2020 – 2021 REVISED BUDGET AND ANNUAL PERFORMANCE PLAN – VOTE 6

COMMITTEE HOUSE RESOLUTIONS	PROGRESS TO DATE 31 MARCH 2021
1. The Agency must ensure that placement of Zithabiseni Resort officials into other government institutions is concluded without interruptions by end of February 2021.	The established task team has extensively consulted the labour union (NEHAWU) representing the Zithabiseni Resort officials to ensure that they are part of the process and no official is negatively affected by the placement process. The employees are ready to be temporarily accommodated at the MTPA reserves when the operator takes over the operation of the resort. The placement of the officials into other government institutions depends on natural attrition and the availability of vacant positions in those institutions. The placement of the first resort employees in the MTPA nature reserves where there are vacant positions had to be deferred due to some resistance from the local and claimant communities. Negotiation with the claimant communities as the co-management partners of the nature reserves is in process. The placement will be resume as soon as an agreement is reached.
2. The Agency must develop strategies to achieve their planned targets on a low cost budget.	The Agency together with DEDT and the private sector developed a Tourism Recovery Plan that emphasises the need to find alternative sources of funding in order to continue to promote the destination during and facilitate investments and partnerships for the upkeep of infrastructure and the protection of biological assets. The Plan was submitted to the DFFE and DEDT requesting some relief fund to implement it. The DFFE approved a budget allocation of R4 million through the COVID-19 Presidential Stimulus Package Fund to conduct the infrastructure upgrades in the reserves, whereas the DEDT approved an allocation of R10 million for tourism marketing tourism facilities maintenance in the reserves. These budget allocations will enhance the achievement of the planned performance targets that were based on a low cost budget.

Portfolio Committee House Resolutions 2020/2021 Quarterly Performance Reports

HOUSE RESOLUTIONS	PROGRESS TO DATE – 31 MARCH 2021
HOUSE RESOLUTIONS FOR THE FIRST QUARTER PERFORMANCE REPORT – APRIL TO JUNE 2019-2020	
i. The Agency must draw up a plan to achieve the deferred output indicators in the next quarters within the financial year.	The Agency developed a revised Annual Performance Plan with new priority targets that are in line with the budget allocation. Some of the targets which the Agency is still not in a position to implement due to the impact of COVID-19, the budget cuts and the revision of the Agency's revenue collection targets have been deferred to the 2021-2022 financial year or are implemented on a lesser scale, for example, leisure and tourism business events marketing activities in international platforms, ICT capital infrastructure, capital infrastructure development in the nature reserves including the Barberton Makhonjwa Mountain World Heritage Site. Priority was given to activities that contribute to the attainment of the Agency's core mandate within the available adjusted budget.
ii. The Agency must strengthen marketing and communication strategy now that most economic activities have resume furthermore, the Agency must draw up a recovery plan for revenue collection.	The Agency together with DEDT and private sector developed a Tourism Recovery Plan that emphasises the importance of promoting Mpumalanga destination during and post COVID-19. The cabinet approved the plan and a R20 million budget allocation to ensure the recovery of distressed tourism enterprises and conduct priority infrastructure upgrades in the nature reserves. However, the following activities continue to be implemented: • Marketing and branding of the Mpumalanga tourism destination, through the use of e-marketing platforms such as website, email banners and various social media platforms. • Business events marketing activities were held during the September Tourism Month. The aim of the events were to market and promote domestic tourism to the local communities of Mpumalanga, e.g. a Tourism Awareness Day held at the Bourke's, Luck Potholes in the Blyde River Canyon Nature reserve and a Golf Day in Secunda in celebration of the Gert Sibande Liberation Heritage Route. • The MTPA has thus revived the working relations with the municipalities, national and regional stakeholders to ensure that the destination Mpumalanga is promoted at all levels. The Agency has a dynamic revenue enhancement plan that continues to be adapted given the changing conditions and challenges that we face in meeting our revenue targets. Given the extent of the COVID-19 pandemic, greater adjustments to make revenue collection recovery to the preCOVID-19 period possible within 24 months. The plan is to implement the Agency's strategic plan for commercialisation, starting with short-term interventions such, special promotions which commenced in September during the Tourism Month celebrations, festive season campaigns and ongoing promotion of tourism activities and nature reserves through Public Relations and social media platforms. Further interventions on a medium to long-term involves the diversification of the tourism product offerings, for example, the commencement with negotiations for the PPP Skywalk Projects in order to diversify the tourist experience. The refurbishment of infrastructure to improve visitor satisfaction and increase the length of stay is one of our key priorities, even though budget is a challenge.
HOUSE RESOLUTIONS FOR THE SECOND QUARTER PERFORMANCE REPORT – JULY TO SEPTEMBER 2020-2021	
The Agency must revise its tourism strategy and measure that its plans or activities are aligned with provincial economic development strategy.	The MTPA has developed and approved a Tourism Marketing and Promotion Strategy in 2019. The strategy has a 5-year implementation plan, which is due for review in 2023. The Agency together with the DEDT and private sector have also developed a COVID-19 Tourism Recovery Plan which was approved by the Executive Council in August 2020. The intervention is to ensure tha the disruption brought by the COVID-19 pandemic does not in the long run have a negative impact on the Tourism Marketing and Promotion Strategy. The plan focuses mainly on the tourism product development and destination marketing. It is further aligned to the Provincial Economic Development Strategy.

3. EXECUTIVE AUTHORITY

The following reports were compiled and submitted to the Executive Authority during the reporting period:

- Annual Report 2019/2020 - 31 August 2020
- Quarter 1 (2020/2021) - 31 July 2020
- Quarter 2 (2020/2021) - 31 October 2020
- Quarter 3 (2020/2021) - 31 January 2020
- Quarter 4 (2020/2021) - 31 April 2021

The Executive Authority raised no issues during the reporting period with regards to the above reports submitted.

4. THE ACCOUNTING AUTHORITY / THE BOARD

Introduction:

The Board is the Accounting Authority of the MTPA and constitutes a fundamental base for the application of corporate governance principles in the MTPA. The Board exercises and performs the powers and functions conferred or imposed upon the Agency by the MTPA Act or any other law. The Board provides strategic direction to the MTPA.

The role of the Board is as follows:

In accordance with the MTPA Act and corporate governance, the specific responsibilities discharged by the Board collectively, include the following:

- Retaining effective control over the MTPA and monitoring Management's implementation of the strategic plan, the Annual Performance Plan as well as financial objectives, as approved by the Board.
- Defining levels of materiality.
- Written delegation of specific powers to management and reserving specific powers to the Board.
- Monitoring of the delegated powers to management.
- Ensuring that efficient systems of policies and procedures are in place and appropriate governance structures exist to ensure efficient and effective running of the Agency.
- Ensuring compliance to applicable laws and regulations, audit and accounting principles, the MTPA Code of Conduct, the King III report and such other principles that may be established by the Board from time to time.
- Regularly reviewing and evaluating the risks to the business of the MTPA and ensuring the existence of comprehensive and appropriate internal controls to mitigate such risks.
- Exercising objective judgement on the affairs of the MTPA, independent from management, but with sufficient management information to enable a proper and informed assessment.
- Ensuring that the MTPA acts responsibly towards all relevant stakeholders who have a legitimate interest in its affairs.

Board Charter:

As recommended by the King Code, the Board has a Charter that sets out the role of the Board, the composition of the Board and the processes that relate to key governance activities.

The Charter does not necessarily specify all the workings of the Board. It is a high level document that is supported by other (internal) documents such as:

- Delegation of Authority
- Board Policies
- Operational Policies

The following progress was made in complying with the Board Charter:

- The Board has satisfied its role of determining the Agency's purpose, values, giving strategic direction, identifying key risk areas and monitoring the performance of the Agency against the set objectives. It has further successfully, advised on significant financial matters in the period under review. With regard to the composition of the Board, the Board's composition is according to the terms set out in the MTPA Act.
- There is a clear division of responsibilities between the Chairperson of the Board and the CEO. The Board convened its meetings as set out in the Act and also in the Charter and has also convened additional meetings to address issues that were pertinent to the Agency.
- The Board established governance structures on assumption of office to facilitate efficient decision making. It has further aligned the structures according to its mandate and Treasury prescripts.
- The Board Members adhere to the declaration of interests on an annual basis and at each meeting Board Members are required to declare conflict of interest if any.
- The Company Secretary's office has been aligned with the Charter to permeate a situation whereby it works closely with the Chairperson of the Board and the CEO.
- The appointment of Internal Auditors has been delegated to the Audit and Risk Committee.
- The Board has satisfied all the reporting and accountability requirement to the MEC, Provincial Legislature, Provincial Treasury and the Auditor General's office as set out in the MTPA Act and the PFMA.

Composition of the Board:

The table below comprise of Board Members as appointed by the Member of the Executive Council (MEC), their date of appointment and resignation for the financial year under review.

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meetings attended
Mr. TJ Nzima	Board Chairperson	30 Dec 2020	Active	B.Com Degree	• Tourism • Aviation • Finance Strategy • Marketing • Brand Strategy • Operations • Governance • Logistics	• CEO & Ex-officio Board Member - SA Tourism 2012-2015 • Director Sales & Marketing Avis-Rent- a-Car Southern Africa 2007-2011 • Ex-Officio Director & Board Member of Avis-Rent-A-Car Southern Africa • CEO & Ex-Officio Board Member SA Travel Centre 2005-2007 • Chairperson – Travel Experience Ltd • Board Member – GlobalStar International (Netherlands) • Senior Executive Manager SAA 2003-2005 • Senior Executive Manager Retail & Coastal Sales SAA 200-2002 • Senior Executive Manager Sales & Voyager Strategy SAA 2001-2002 • General Manager KZN & Boarder SAA 2000-2001 • Regional Manager - Benelux Countries 1997-2000 • Board Member - Netherlands Chamber of Commerce, Belgium Chamber of Commerce • Schiphol Airport Operators Board Member • Market Development Manager - Americas 1996-1997 • Market Development Manager - Asia & Australia 1993-1996 • Overseas Cadet Manager 1991-1993 • Sub Branch Manager - Wynberg Perm Building Society 1984-1991 • Business Development Manager - Wynberg Perm Building Society 1985-1987	• Chairperson: Governance, Social and Ethics Committee	25/25

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
Mrs. NR Shabangu-Mndawe	Deputy Chairperson	30 Dec 2020	Active	B.Proc; LLB; Corporate Governance	Legal Services	• Deputy Chairperson of Black Lawyers Association 2011 - to date • Member of Family Law Committee: Law Society of South Africa 2011 - to date • President: South African Women Lawyers Association-MP 2020 to date • Chairperson: Family Law Committee-LSSA- 2018 to date • Council of the Law Society of the Northern Provinces - 2011 to 2018 • Member of Legal Practice Council (MP) - 2019 to date • Member of the Sheriff's Advisory Board - 2011 to 2019 • Chairperson: Safety and Security Sectorial Bargaining Council (SAPS) 2008 to 2018 • Deputy Chairperson: Black Lawyers Association - 2014 to date • Chairperson: Mpumalanga Heritage Resource Authority - 2016 to 2019 • Chairperson: Consumer Court; Gert Sibande and Nkangala District - 2014 to 2019 • Country Vice President of the International Federation of Women Lawyers (FIDA) to date Task Team for the • Member: Development of Children's Court Rules under Rules Board for Courts of Law to Date • Member: Steering Committee: Legal Sector Code	• Chairperson: Remune-ration and Nominations Committee to 25 January 2021 • Governance, Social and Ethics Committee. • Chairperson: Tourism and Marketing Committee	23/23

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
Mr. TF Keetse	Board Member	30 Dec 2020	Active	B-Tech Marketing (Incomplete); Global Leadership Certificate - Duke CE India - 2009, MAP - Wits, Sales and Channel Leadership - Insead Business School France; Graduate Diploma in Interna-tional Marketing - UNISA 1999 Diploma in Bookkeeping 1993	Marketing and Finance	CHAIRPERSON: • Old Mutual Provincial Management Board (2007 – Date) • Mpumalanga Black Management Forum (2007 – 2011) NATIONAL BOARD MEMBER: • Black Management Forum (2007 – 2011) • Board Membership (2007 – 2011) • Limpopo Civil Servants (2013 – 2017) • Barberton Community Radio Board (2007 – 2009) • Lowveld Chamber of Business and Tourism (2008 – 2010) COMMITTEE MEMBER: • BBBEE Advisory Committee Member - MPL • Tourism – Mpumalanga Department of Economic Development and Planning • BMF Mpumalanga Provincial Executive (2011 – 2015) • Old Mutual Distribution Board (2012 – Date) • Old Mutual Customer Board (2012 – Date) • Old Mutual Sales Operations Board (2012 – Date)	• Chairperson: Tourism & Marketing Committee • Governance, Social and Ethics Committee	21/21
Dr. DT Magome	Board Member	30 Dec 2020	Active	BSc (Education) & BSc (Honors) University of Bophuthat-swana (now North West); MSc Witwatersrand; MSc Colorado State University; and PhD University of Kent UK Biodiversity Management Policy	Environment and Conservation Laws Environment and Develop-ment Ecotourism Development Private Game Lodge Hospitality	• CEO Uzani Foundation and Partner Uzani Environment Advocacy Sep 2019 - Present • Chief of Party (USAID) Combatting Wildlife Crime in the Malawi-Zambia Landscape, January 2018 - August 2019 • Environ-Development Consultant Sub Saharan Africa, March 2015 - Present • Managing Executive Conservation SA National Parks (SANParks) 2000 - February 2015 • Head: Park Planning & Development SANParks, February 1996 - 1999. • CEO Bop Parks 1994 - Janauary 1996 & Assistant Director 1992 -1994. • Bop Parks Ecologist 1986 - 1991	• Chairperson: Conservation Committee • Governance, Social and Ethics Committee	23/23

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meetings attended
Ms. TB Nkambule	Board Member	30 Dec 2020	Active	B Com: Industrial Psychology & Economics; B Com Honours (Economics) Higher Education Diploma; Masters in Development Economics; Advance Certificate in Policy Planning & Project Analysis; Econometrics; Project Management; Jobs for Growth Certificate; SA Excellent model in Entrepreneurship	Economic and Business Development, Environmental Management	• Director: Ntobe Fire Control • Director: Pel Africa Management CC • Director: Neighborhood Development Company; Professional Associate: Blue Print • Director: Toronto Business Enterprise • Director: Imbombela ICC • Board Member: SEDA • Board of Trustees: My Acre of Africa; • Enablis Business Plan Competition; Umsobomvu Mentoring and Business Support • Executive Chairperson: Toro Business Enterprise • Southern Regional Manager: Kruger National PARK 2001 - 2004 • Head Economic Planning & Research Unit 1998 - 2001 • Assistant Director: SMME Desk 1997 - 1998 • Senior Lecturer: Elijah Mango College 1990 - 1996 • Lecturer: Mgwenya College of Education 1989 - 1990 • Teacher: Khumbula High School 1986 - 1989	• Conservation Committee. • Special Task Team: Recruitment Process of Executive Manager: Commercial Operations	16/16

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
Ms. JS Sekhitla	Board Member	30 Dec 2020	Active	Diploma in General Nursing (Mapulaneng Hospital); Diploma in Midwifery (Baragwanath Hospital), Diploma in Business Management (RAU); Certificate in Business Sector Development (RAU); Certificate in Personal Development (RAU), Certificate Academy of Real Estate - Certificate of Completion; Tourism Certificate from THETHA; Good Governance Course - Institute of Directors SA; Public Finance for non-financial managers programme – Regenesys. SEDA Certificate in Corporate Governance and Board Effectiveness (IDoSA) Certificate in Board Leadership (Gordon Institute of Business Science (University of Pretoria) Certificate in Capacity	Tourism	• Board Member & Director Tourism Grading Council of South Africa 2006-2009 • Board Member and Director of Tourism Marketing South Africa 2005-2011 • Executive Member of Tunisia South Africa Chamber of Commerce 2006-2009 • Ministerial Appointee Higher Education Board Member CATHSSETA 2011-2016 • Executive Member Ekurhuleni Business Initiatives 2002 - to date; current • Chairperson of BICSA- Bakery and Food Technology Incubator South Africa(current) • Chairperson- Ekurhuleni Travel and Tourism Association (2014 to date) • Deputy President Nafcoc Women's Chamber - National (current) • Trustee- Ekurhuleni Peermont Chamber of Commerce Trust (EPCoCT 2014 to date) • Gauteng Tourism Authority Board Member 2017- 2020 DIRECTORSHIP: • The View Guest House, Merafe Travel and Tourism • Mmamerafe Construction and Civil Engineering • South African Women in Tourism 2013 - to date • Tembisa Tourism Association: General Secretary Nafcoc Gauteng 1998; Secretary • Board Member CHAIRPERSON: • South African Women in Tourism 2013 - to date • Ekurhuleni Travel and Tourism Association 2014 - to date • Tembisa Tourism Association: General Secretary Nafcoc Gauteng 1998 • Secretary of Tembisa Chamber of Commerce 1994 • Professional Nuarse: Garankuwa Hospital 1985-1986, • Tembisa Hospital 1986-1989	• Tourism and Marketing Committee	18/18

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
				Building for Tourism Practitioners at Local Government (University of Pretoria) Certificate in Corporate Governance and King IV, Women in Tourism Certificate (UNISA) Graduate School of Business Leadership (NQF Level 8 Equivalent)		ACHIEVEMENT AWARDS: • Lilizela Ministerial Award 2017: For outstanding contribution to Tourism in South Africa for vision National Commitment and World Class Excellence • Gauteng Legislature VITA BASADI Award: For Woman of Honour Award 2019		
Ms. N Mzuzu	Board Member	30 Dec 2020	Active	B. Proc Degree (University of Fort Hare); Practical Legal Training School; (Law Society of the Cape of Good Hope); MS Windows Certificate - Windows 98; Debt Collection Course (Legal Interact); Conveyancing Practice Course (Legal Education and Development Pretoria)	Legal Services	Founder & Director of Mzuzu Attorneys	• Remuneration and Nominations Committee. • Audit and Risk Committee.	24/24
*Ms. SFS Makhathini	Board Member	30 Dec 2020	Active	Qualified Chartered Accountant CA: SA, SAICA Articles - TIPP Auditing, Honours in Bachelor of Accounting Sciences (UNISA), Post Graduate Diploma in Accounting Sciences, Diploma in Accounting Sciences (UNISA), Bachelor of Commerce in Accounting (Wits University)	Accounting	• Iziko Museum of South Africa • Health Professional Council of South Africa: Dietetics and Nutrition Professional Board • Madi Mero • Trans Caledon Tunnel Authority • Ubambo Consulting • PACOFS AREA OF EXPERTISE • Internal Auditing • External Auditing • Risk Management • Performance Management • Corporate Governance	• Audit and Risk Committee	18/18

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
Mr. CL Gololo	Board Member	30 December 2020	Active	• 2007: Certificate in Leadership (Rhodes University) • 1994: Certificate in Government Change Management (Wits University) • 1992: Certificate in Manpower Management (Institute Development Management: Morogoro) • 1989: Certificate in Export &Import Management (New Delhi Institute of Exports & Imports Management) • 1983: Certificate in promotion of SMME's • Diploma Institute Development Management Tanzania -1992 • Certificate Govt Change Management Wits University - 1994 • Certificate Export Management (New Delhi; India) - 1989 • Studied in Czechoslovakia - 1983 • Studied and Trainee in Cuba - 1980	Administration	• Parliament of the RSA Member of Parliament National Assembly (Portfolio Committee Arts & Culture, Defense and Public Enterprise & Department of Mineral Resources) 01 May 2004 - 30 April 2014 • ANC Ehlanzeni Regional Office Regional Administrator and Membership Officer 01 May 1994 - 30 April 2004	Conservation Committee.	16/16

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
Mr. SG Mthombeni	Board Member	30 December 2020	Active	• B Admin Public Administra-tion and Industrial Psychology - Fort Hare University; • MBA - Masters in Business Administra-tion (Michigan State University); • MSPA Master of Science in Professional Accounting - Walsh College; CPA • Sat and Passed Certificate Public Accountancy Board Examina-tions in Michigan USA.	• Industrial-Psycho-logy (I-III) • Political Science (I-III) • Risk-Manage-ment & Insurance Concepts • Long-Term Financial Policies • Marketing Models Theories & Strategies • Portfolio Theory of Capital Markets • Investment Strategies • Manage-ment & Financing of Corporate Assets • Decision-Making Models • Managerial Accounting • Organisa-tional Manage-ment Theory & Practice • Legal Environ-ment of Business • Contract Manage-ment • Asset Accounting & Basic Tax • Equity Accounting • Advanced Accounting 1 &2) • Accounting Planning & Control	• Retired and sole-proprietor owner of rental properties at Steve Tshwete Municipality, Witbank, JHB and Krugersdorp • Chief Executive Officer and Executive Director: Gateway Airport Authority • Chief Financial Officer of the Southern African Development Fund (USAID-Funded) • Corporate Financial Planning Manager (Eskom) • Audit Committee - Chair at Nkangala District Municipality (2002-2006) • Board Member at Khula-Enterprise ((2000-2004) • Audit Committee Member at JHB Property Company (2002-2003) • Financial Analyst at Pepsi-Cola, Michigan Bottling • Financial Analyst Ford Motor Company	• Remune-ration, Nomina-tions and Governance Committee. • Mr Mthombeni was appointed Audit and Risk Committee on 25 January 2021	21/21

Name	Designation (in terms of the Public Agency Board structure)	Date appointed	Date Resigned	Qualifications	Areas of expertise	Board Directorships	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	Number of meet ings atten-ded
					• Thesis in Accounting • Professio-nal Auditing • Corporate, Partner-ship, Estate & Trust Tax • Seminar in Accounting Concepts • Seminar in Advanced Accounting Concepts • Advanced Auditing			

- There are no alternate Board members on the composition of the Board
- There are no outgoing Board Members

Board Committees:

The Board had the following Board Committees:

- Audit and Risk Committee.
- Remuneration and Nominations Committee.
- Conservation Committee.
- Tourism and Marketing Committee.
- Zithabiseni Board Task Team.
- Governance, Social & Ethics Committee.

Board's list of committees, members that served in each committee and the number of meetings held are as follows:

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	11	5	Ms. PMK Mvulane - Chairperson Mr. MS Mthembu Ms. SFS Makhathini Ms. NB Mzuzu ** Mr. ME Zakwe Mr. SG Mthombeni***
Remuneration and Nominations Committee	4	3	Ms. BN Mzuzu* Ms. NR Shabangu-Mndawe – Chairperson** Mr. SG Mthombeni** Mr.TF Keetse *** Ms. SFS Makhathini***
Conservation Committee	3	4	Dr. DT Magome - Chairperson Ms. TB Nkambule ** Mr. CL Gololo Mr. SG Mthombeni*** MS. JS Sekhitla***
Tourism and Marketing Committee	4	3	Ms. NR Shabangu- Mndawe – Chairperson* Mr.TF Keetse – Chairperson ** Ms. JS Sekhitla Ms. TB Nkambule***
Governance, Social & Ethics Committee	6	5	Mr. TJ Nzima – Chairperson Ms. PMK Mvulane Ms. NR Shabangu-Mndawe Dr. DT Magome Mr. TF Keetse ** Ms. BN Mzuzu***

*Appointed Chairperson of the committee from 25 January 2021
**Members or Chairpersons of the committee until 31 December 2020
***Appointed Members of the committee from 25 January 2021

The remuneration of the Board members appointed for the reporting period 01 April 2020 to 31 March 2021

NAME	REMUNERATION R	OTHER ALLOWANCES R	OTHER REIMBURSEMENT R	TOTAL R
Mr Nzima TJ (Chairperson)*	442 918	9 000	11 507	**463 425**
Ms. Shabangu-Mndawe NR (Deputy Chairperson)	267 532	9 000	4 824	**281 355**
Dr Magome DT	202 350	9 000	20 007	**231 357**
Ms. Makhathini SFS*	155 156	9 000	191	**164 347**
Mr. Mthombeni SG	144 632	9 000	4 677	**158 308**
Ms. Mzuzu NB*	185 892	9 000	6 951	**201 843**
Ms. Sekhitla JS	137 599	9 000	12 718	**159 316**
Ms. Nkambule TB	116 305	9 000	68	**125 374**
Mr. Gololo CL	134 004	9 000	5 481	**148 486**
Mr. Keetse TF	225 250	9 000	23 291	**257 541**
Ms. Maseko M	21 190	6 000	-	**27 190**
Dr. Mabunda DM	14 120	6 000	-	**20 120**
TOTAL	**2 046 948**	**102 000**	**89 715**	**2 238 662**

***** Totals include remuneration for Audit and Risk Committee meetings attended.
* Remuneration = Gross Amount.

5. RISK MANAGEMENT

The Agency promotes a “risk-matured and risk-intelligent” culture through the Risk Management Framework, Policy and Procedure manual, which was reviewed in October 2020. The Board, in discharging its risk management responsibilities, is supported by the Audit and Risk Committee, which ensures that Management has implemented an effective risk management strategy that will enhance the organisation’s ability to achieve its strategic objectives. As a result, the Committee provides the oversight required to ensure that stakeholder interests are protected. The Committee is provided with quarterly progress reports which are subsequently presented to the Board.

MTPA conducted a risk assessment update exercise for the financial year 2020/21 through individual interactions with management representing the various business units. Formal risk assessment workshops were not feasible due to the social distance requirements from Government to prevent the spread of COVID-19. The 2020/21 APP was amended/ updated due to the revised budget allocations which were negatively impacted by COVID-19. Some of the budget in the APP was reduced or redirected to cater for compliance with COVID-19 regulations. Management supplied or agreed to action plans, which would allow MTPA to mitigate the identified risks. Engagements were held with the respective Executive Managers and Risk Champions. The process was done taking into consideration the previous year's audit outcomes, Portfolio and SCOPA progress report, reports on the COVID-19 pandemic which may have a negative impact on the achievement of the Agency’s outcomes, assurers’s reports control improvements, and the Agency’s revised 5-year plan

Quarterly risk mitigation progress reports are submitted to the Audit and Risk Management Committee for evaluation.

The top strategic risks identified for the Agency were as follows:

- Shareholder Funding is inadequate to achieve the mandate
- Inability to Improve financial performance through revenue collection
- Ineffective management of protected areas
- Non-compliance with relevant legislation, regulations/ ineffective Corporate Governance
- Failure to implement infrastructure projects within the planned time frame and the budget
- Fraud, theft risk

- Poor coordination with law enforcement and safety agencies on tourism safety-related activities
- Inability to increase tourist arrivals: Inadequate resources, capacity (leadership and management) to enforce the transformation of tourism and biodiversity industries
- Inability to improve organisational performance: (high vacancy rate, consequence management and skills)
- Inadequate ICT infrastructure to support the MTPA business units

The Committee placed special emphasis on strategic risk mitigation for the following areas:

Shareholder funding is inadequate to achieve the mandate: Limited budget allocations due to general pressure on public funds, as a result of reprioritisation of Government spending); and Economic downturn (recession) were contributing factors towards funding the Agency's planned targets. The COVID-19 pandemic and the National Lockdown impacted negatively on the implementation of plans because of the restrictions on people's movement which resulted in a shutdown of services and economic activity. As a result, some budget had to be redirected to cater for compliance with COVID-19 regulations.

Inability to improve financial performance through revenue collection: The Agency set up a revenue target which is difficult to achieve under the current conditions at the key collection points; including the inadequate capacity and skills to manage revenue. The Agency's control environment has a set of standards such as policies, processes, and structures including capacity that provide the basis for carrying out internal control across the Agency. However, in many instances the policies (debtors, cash management, and revenue collection) were not timeously updated. Furhthermore, the extended measures of lockdown announced during the peak season, impacted on the Agency's performance to generate and collect revenue per planned activities. In order to mitigate the risk, management reviewed the Revenue Collection Enhancement Plan; a procedure manual was also developed, approved and implemented. New offerings are being introduced gradually. Such as the Beauty Spa service which is being piloted for now. Management is in the process of introducing a Bush Braai Facility at Loskop, and a floating restaurant at Swadini once the procurement process is complete. These streams should be able to guide the commercialisation of the MTPA's products, within the protected areas, to increase and expand the revenue generation and collection base

Non-compliance with relevant legislation, regulations/ ineffective Corporate Governance: The Agency has continued to receive negative findings on irregular expenditure, as a result of non-compliance with SCM and Treasury regulations. During their audit for 2019/20 financial year, the AGSA raised nine findings on non-compliance with SCM policy; Treasury regulations and non-disclosure of interest by officials of the Agency. This resulted in limited improvement on the implementation of stronger controls around compliance with laws and regulations. The following are contributing factors which were identified during this quarter and are reported to be recurring.

- Inadequate oversight on submitted documents resulted in delays to link with to the actual performance recorded during reviews by internal audit;
- Non-compliance with procurement process which has led to more deviations from normal procurement processes;
- Poor record keeping and safeguarding of bid documents; and
- Inadequate segregation of duties within the SCM unit.

Health and Safety (injuries and occupational health hazards resulting in injuries: The Agency continues to provide assistance to employees through the Employee Wellness Programme. In compliance with the occupational Health and Safety Act, 1993 (Act No. 85 of 1993) the Agency appointed Health and Safety representatives accordingly. Occupational Health and Safety Committee was established to assist in monitoring compliance with legislation in all the work stations. Ongoing inspections were conducted to identify occupational hazards and recommend remedial actions. The Agency has considered safety of its employees and again extended the same to others in the workplace, such as visitors, on-site contractors and stakeholders who visit the protected areas as tourists. Furthermore, the Agency has committed to conduct health audit for the employees in order to assess fitness to perform duties and ensure that the employees on site have a valid medical certificate of fitness, specific to the work being performed, issued by an occupational health practitioner. The OHS appointed committee is currently identifying all hazardous areas thus coming with corrective measures. Included in this process was a refresher course thereafter reports presented by reps from the respective reserves.

Poor state of infrastructure at the protected areas project management: The key contributing factors towards this risk has always been inadequate funding to implement the infrastructure plan for the Agency. Therefore, in order to assist the Agency concerning the state of infrastructure at the reserves, a request for funding for the remaining reserves has been submitted, and awaiting response. These will address major issues at Blyde, Verloren Valei, Bushbuckridge and Sterkspruit nature reserves. Furthermore, management has committed to prioritise the review and fund the infrastructure maintenance plan in the 2020/21 budget allocations; also continue to source more funding from external funders.

Fraud and corruption: The Agency has an approved Fraud Prevention Strategy and plan, and maintained fraud prevention and investigation policies. However, implementation of the plan was interrupted by the imposed lockdown measures as a result of COVID-19. The Agency has an independent anonymous tip-off line (080 021 4775) wherein all fraud reporting can be made. All reported allegations are escalated to the Accounting Officer and the Chief Audit Executive for preliminary investigations and follow-up. There were ongoing awareness campaigns on existing fraud prevention policy and strategy including applicable approved policies and procedures across MTPA, continuous monitoring and evaluation by Governance structures; existing code of conduct, disciplinary code and procedures; Declaration of interest is monitored annually.

6. INTERNAL CONTROL UNIT

The Agency does not have this function, the functions are performed by Risk Management and Internal Audit Sub-Programme together with the Monitoring and Evaluation Sub-Programme.

7. INTERNAL AUDIT AND AUDIT & RISK COMMITTEE

The Audit and Risk Committee assists the Board through critically evaluating the Board's financial control measures, accounting practices, information systems and audit procedures, including information systems controls and security, the quality of the financial and other management information produced to ensure integrity and reliability, any related significant findings and recommendations of the internal and external auditors together with management's responses thereto. The Committee performs this function continuously by way of close liaison with the executive management and with the Board's internal and external auditors.

The Audit and Risk Committee consists of five non-executive members; Chief Executive Officer (CEO) and Executive Management. Nominated representatives of the AGSA and DEDT attend by standing invitation. The authority and mandate of the Audit and Risk Committee, its duties and functions, its composition and its operations have been approved by the Board in the form of a detailed charter. The Committee has complied with its responsibilities arising from Treasury Regulations and the PFMA.

Internal Audit and the Effectiveness of Internal Controls

The Internal Audit service was outsourced to A2A Kopano Agnowiz effective April 2018 ending 31 March 2021 to provide independent and objective assurance and consulting services in the areas of internal controls, risk management and governance processes. The appointment was subject to open tender. The Internal Audit unit reports functionally to the Audit and Risk Management Committee on a quarterly basis, and operationally to the Chief Executive Officer. On a quarterly basis the Internal auditors monitor the operation of the internal control system and report findings and make recommendations to management. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit and Risk Committee, provides oversight of the financial reporting process and internal control systems.

The Agency maintains financial and operational systems of internal control in order to provide reliable financial information. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's delegated authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition, and that transactions are properly authorised and recorded. The system includes a documented organisational structure and division of responsibility, established policies and procedures, including a code of ethics to foster a strong ethical and internal control environment, which is communicated throughout the organisation, and the careful selection, training and development of staff.

A review conducted by Internal Auditors revealed that the systems of internal controls were inadequate in some areas due to delays in finalisation and approval of applicable policies and standard operating procedures. Applicable policies were approved by the Board in the third quarter.

The Agency conducts an annual risk assessment process with the objective to understand what is at risk within the context of the Agency's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives. A three year rolling internal audit plan was developed and reviewed annually to ensure all risks as identified are adequately covered in the plan.

Summary of internal audit work done are as follows:

The overall plan has been drafted taking into consideration the risk assessment report as well as the current year's budget allocation for Internal Audit and Risk management.

During the financial year covered in this report, Internal Audit has performed the following assignments:

- Completing the Internal Audit Strategic and Annual Operational Plan
- Review of the Board Audit and Risk Committee and Internal Audit Charters
- Risk Assessment Attendance and review of Risk Assessment Reports
- Audit of Pre-Determined Objectives (quarterly audits)
- External Audit Readiness - Annual Financial Statements Review
- Annual Report review
- Asset Management audit (this was focused on the asset valuation)
- Project Management audit
- Revenue Management audit
- Supply Chain Management audit
- ICT audit
- Follow-up on previous internal audits
- Follow-up on previous external audits findings
- OHS Audit
- Internal Control Assessment

Evaluation of the Annual Financial Statements

The Committee performed a review on the Annual Financial Statements focusing on:

- Significant financial reporting judgements and estimates contained in the Annual Financial Statements.
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context.
- Quality and acceptability of, and any changes in accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments and/or unadjusted differences resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the public Agency	Date appointed	Date Resigned	No. of Meetings attended
Ms. PMK Mvulane	• Chartered Accountant and Registered Auditor 2009. • Public Practise Examination Independent Regulatory Board for Auditors Accountants (Part2) 2009. • Final Qualifying Examination South African Institute of Chartered Accountants (Part1) 2002. • Specialist Diploma in Auditing 2001. • Bachelor of Commerce in Accounting (Accounting). • Bachelor of Commerce in Accounting (Honors).	External	None	01-Aug-16	31-03-2021	11/11
Mr. MS Mthembu	• Master of Business Leadership (UNISA): 2004. • Bcom (Accounting) UNISWA: 1992. • Commercial Banking Licentiate Diploma. (Institute of Bankers: SA): 1988. • Diploma in Accounting and Business Studies (UNISWA): 1984. • FAP (SA): Institute of Accounting & Commerce: 2008.	External	None	01-Jul-13	31-03-2021	11/11
Ms. SFS Makhathini	• Qualified Chartered Accountant CA: SA. • SAICA Articles - TIPP Auditing. • Honors in Bachelor of Accounting Sciences (UNISA). • Post Graduate Diploma in Accounting Sciences, Diploma in Accounting Sciences (UNISA). • Bachelor of Commerce in Accounting (Wits University).	External	Board member	01-Apr-16	31-03-2021	8/11
Mr. SG Mthombeni	• B Admin Public Administration and Industrial Psychology - Fort Hare University; MBA - Masters in Business Administration (Michigan State University); MSPA Master of Science in Professional Accounting - Walsh College; CPA. • Sat and Passed Certificate Public Accountancy Board Examinations in Michigan USA. • Industrial Psychology and • Finance.	External	Board member	01-Apr-16	31-03-2021	2/2
Ms. B Mzuzu	• B. Proc Degree (University of Fort Hare). • Practical Legal Training School; (Law Society of the Cape of Good Hope). • MS Windows Certificate - Windows 98. • Debt Collection Course (Legal Interact). • Conveyancing Practice Course (Legal Education and Development Pretoria).	External	Board member	01-Apr-16	31-12-2020	6/11

Name	Qualifications	Internal or external	If internal, position in the public Agency	Date appointed	Date Resigned	No. of Meetings attended
Mr M. Zakwe	• Masters in Science (Cyber Security) 2014 - Current. • University of Maryland (USA). • Cyberspace and Cyber security. • Human Aspects in Cyber security: Ethics, Legal Issues and Psychology. • Prevention and Protection Strategies in Cyber security. • Monitoring, Auditing, Intrusion Detection, Intrusion Prevention, and Penetration Testing. • Cyber Crime Investigation and Digital Forensics. • Cyber security Capstone. • Institution Majors B Com 1997 University of Natal – Durban. • Accounting, Taxation, Auditing, Managerial Accounting & Finance, Business Information Systems Certificate in Accounting 1998 University of Natal – Durban Intermediate: Accounting, Taxation, Auditing, Managerial Accounting & Finance. • B Com Honors 2000 University of Natal – Durban Advanced: Accounting, Taxation, Auditing, Managerial Accounting & Finance. • **SAICA FQE Part 1 2002 S. A.** Institute of Chartered Accountants Professional Level: Accounting, Taxation, Auditing, Managerial Accounting & Finance. • **PAAB FQE Part 2 2003.** Public Accountants and Auditors Board Professional Level: Accounting, Taxation, Auditing, Managerial Accounting & Finance, Audit Specialty Course 2002, APT & RAU Auditing Postgraduate Diploma in Business Management 2002 University of Natal -Graduate School of Business Management Science; General Management; Economics Principles, Issues and Policies; Management Accounting and Business Finance; Marketing, Management and People Management. MBA – Level 1 2003 University of Natal -Graduate School of Business Networking Internet & Emerging IT, Advanced. Business Research Methods MBA – Level 2 2004 University of Natal -Graduate School of Business Advanced Strategic Management, IT Management & Strategy, IS- Technology & E-Marketing, IS in International Business & E-Commerce. MBA – Thesis Level Dec 05 University of KwaZulu Natal Information Management & E-Commerce.	External	None	01-Sept-17	31-03-2021	4/11

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Agency ensured compliance with applicable legislation as follows:

MTPA Act, PFMA and Treasury Regulations

Compiled and submitted the following documents

- 2020/21 Annual Report.
- Four quarterly reports for the year 2020/21.
- 2020/21 Annual Performance Plan.
- The Board members fulfilled their fiduciary obligations by holding a minimum of 4 Board meetings as required by the PFMA and Companies Act.

9. FRAUD AND CORRUPTION

The MTPA has committed itself to actively combat fraud and all other acts of dishonesty on a zero-tolerance basis. A review of the fraud prevention strategy, policy and plan was conducted and implemented. These policies and strategies are designed to align the MTPA's anti-fraud functions with the PFMA. In line with the implementation of its Fraud and Corruption Prevention Strategy, the Agency has published the fraud and corruption reporting hotline number on its website. Cases reported via the national anti-corruption hotline are referred to the office of the CEO, who appoints an investigative officer to facilitate the investigation of alleged fraud or corruption. Where fraud or corruption is detected or suspected, disciplinary proceedings, prosecution or action aimed at the recovery of losses are initiated.

The MTPA is on an ongoing process implementing the Fraud and Corruption (Zero Tolerance) campaign in partnership with Deloitte. This campaign involves the following:

- Review of the Fraud Prevention and Response Plan.
- The anti-crime prevention initiative.
- The awareness campaign with all MTPA staff and some selected stakeholders.

10. MINIMISING CONFLICT OF INTEREST

The Supply Chain Management and the Code of Conduct policies are implemented in all procurement processes. The policies were developed in line with the Treasury Regulations and the code of conduct is issued in accordance with the framework for supply chain management, section 74(4) (c) of the PFMA.

The MTPA is therefore required to align this to Treasury Regulations and to issue a code of conduct for all officials involved in supply chain management processes.

All officials involved in the procurement process are made aware of the requirements of supply chain management procedures and the code of conduct. Officials who are involved in procurement should:

- Not take improper advantage of their previous office after leaving their official position in the Public Service.
- To the extent of their position, declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.
- Not place themselves under any financial or other obligation to outside individuals or companies and organisations that might seek to influence them in the performance of their official duties; and
- Be or are accountable for their decisions and actions to the public and use public property scrupulously.
- Record and account for all transactions conducted by a particular practitioner in an appropriate accounting system i.e. all transactions (requisitions /orders/invoices and payments should be captured on the appropriated financial system. Practitioners should not make any false or misleading entries into the system for any reason whatsoever.
- All officials on the bid committees are required to declare their interest annually, cleared to the level of confidentiality.

11. CODE OF CONDUCT

The Agency has a Code of Ethics as part of the Human Resource Policies. This Code is intended to raise ethical awareness and to act as a guide to employees of the MTPA. The Code contains ethical and moral standards to which employees are expected to conform. Contravention of the Code is dealt with in terms of the Disciplinary procedure of the Agency

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Agency continues to provide assistance to the employees through the Employee Wellness Programme. In compliance with the occupational Health and Safety Act, 1993 (Act no.85 of 1993) the appointed Health and Safety representatives continued to do their legislated functions. Occupational Health and Safety Committee was established to assist in monitoring compliance with legislation in all the work stations. Ongoing inspections were conducted to identify occupational hazards and recommend remedial actions.

13. COMPANY SECRETARY/BOARD SECRETARIAT

In the period under review, the role and responsibilities of the Board Secretariat was the following:

- Compliance in terms of the King IV report, Company's Act, PFMA and MTPA Act.
- Coordination of Board and Board Committee meetings.
- Keeping of Board and Board related documents.
- Monitoring Board compliance.
- Advising the Board as a collective and as individuals.
- Ensuring that the Board is properly inducted.
- Identifying training needs of Board Members.
- Writing of Minutes and Reports.
- Managing the Board Office.

14. SOCIAL RESPONSIBILITY

During this period under review, the MTPA did not conduct any social responsibility programme due to the COVID-19 pandemic.

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Public Agency applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The awarding of concessions for facilities within the MTPA nature reserves is based on the Tourism BEE scorecard and forms part of the entity's Commercialisation Strategy and concession framework. The agency has also started an initiative within Biodiversity Management to encourage previously disadvantaged communities to set up their own game farms by donating wild life to these established game farms. Thus, giving this communities the required permits to hold such wildlife.
Developing and implementing a preferential procurement policy?	Yes	The agency has an approved Supply Chain Management Policy that is aligned to legislation. Over 44% of the total amount of goods and services were procured from women, youth and people with disabilities.
Determining qualification criteria for the sale of state-owned enterprises?	No	It is not applicable to the agency.
Developing criteria for entering into partner-ships with the private sector?	Yes	The agency has different partnerships with the Private Sector in relations to the Tourism Sector. There are MOUs that have been signed with the different private sector and Regional Tourism Organisations. The agency also has MOUs with Privately Owned Reserves in the management of Protected Areas.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The agency currently provides sponsorship to event organisers to leverage on the events on the promotion of the Province. The provincial reserves are mostly claimed by the claimant community and the revenue generated by the reserves is shared with the claimant community.

Barberton Makhonjwa Mountains World Heritage Site

PART D

Human Resource Management

1. INTRODUCTION

- **Overview of HR matters at the public Agency**

  The organisational structure was approved during the year under review. The approved structure was developed following the organisational audit process that was conducted in the previous years. The approved structure is in line with the 5 year strategy of the agency and is fit for purpose.

- **Planned HR priorities for the year under review and the impact of these priorities**

  The planned HR priorities for the period under review were the development of 4 HR policies and the roll out of the Workplace Skills Plan (WSP)

  The policies were drafted as planned but the approval could not be done because of the consultation process that was negatively impacted by the COVID-19 pandemic.

- **Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce**

  The Agency approved an HR strategy which is aimed at ensuring the recruiting, capacitating and retaining skilled personnel. However both that recruitment and capacitating skilled personnel was negatively impacted during the period under review because of COVID-19.

- **Employee performance management framework**

  The Performance Development Management System (PMDS) was implemented during the year. However no bonus incentives were paid.

- **Employee wellness programmes**

  The Employee Wellness programme continued to give support to distressed employees. The COVID-19 pandemic also kept the programme busy as there was need to develop response plans and support affected employees.

- **Policy development**

  Four Human Resource Policies were drafted for review (Recruitment, Bereavement, General Conditions of Service, Bursary review policies). Due to the impact of Coronavirus, the processes of reviewing Human Resource policies could not be finalised. The outstanding policies will be finalised in the 2020-2021 financial year.

- **Highlight achievements**

  One of the notable achievements of the Agency was the approval of a fit for purpose organisational structure to pave the way for the agency to fulfil its mandate

- **Challenges faced by the public Agency**

  The Agency is facing the challenge of the high number of ageing staff (above 60 years old) most of whom are at home to avoid the risk of contracting COVID-19.

- **Future HR plans/goals**

  The HR goal is to improve the organisational performance by ensuring the staff is healthy, motivated and capacitated to carry on their functions.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the agency (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Executive Office	74 426	20 288	0.27	16	1 268
Office of the CFO	24 195	16 773	0.69	24	699
Corporate Services	44 559	20 482	0.46	32	640
Tourism	27 755	21 504	0.77	29	742
Biodiversity Conservation	234 085	217 008	0.93	497	437
Commercial Operations	4 473	2 779	0.62	1	2 779
TOTAL	**409 493**	**298 833**	**0.73**	**599**	**6 564**

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel Expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	8 232	2.75%	5	1 646
Senior Management	28 054	9.39%	10	2 805
Professional Qualified	109 111	36.51%	129	846
Skilled	33 538	11.22%	75	447
Semi-skilled	76 826	25.71%	210	366
Unskilled	43 072	14.41%	170	253
TOTAL	**298 833**	**100%**	**599**	**499**

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	None	None	None
Senior Management	None	None	None
Professional Qualified	None	None	None
Skilled	None	None	None
Semi-skilled	None	None	None
Unskilled	None	None	None
TOTAL	**None**	**None**	**None**

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Executive Office	20 288	-	0.0%	2	0.0
Office of the CFO	16 773	163	1.0%	8	20.3
Corporate Services	20 482	4	0.0%	10	0.4
Tourism	21 504	-	0.0%	0	0.0
Biodiversity Conservation	217 008	456	0.2%	60	7.6
Commercial Operations	2 779	-	0.0%	0	0.0
TOTAL	**298 833**	**623**	**0.2%**	**80**	**7.8**

Employment and vacancies

Programme/activity/objective	2020/2021 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of vacancies
Executive Office	16	23	16	7	30.44%
Office of the CFO	24	36	24	12	33.34%
Corporate Services	32	55	32	23	41.82%
Tourism	29	54	29	25	46.30%
Biodiversity Conservation	497	960	497	463	48.23%
Commercial Operations	1	1	1	0	0
TOTAL	**599**	**1129**	**599**	**530**	**47%**

Programme/activity/objective	2020/2021 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of vacancies
Top Management	5	6	5	1	16.67%
Senior Management	10	23	10	13	2.17%
Professional Qualified	129	215	129	86	14.36%
Skilled	75	186	75	111	59.68%
Semi-skilled	210	410	210	200	33.39%
Unskilled	170	289	170	119	19.87%
TOTAL	**599**	**1129**	**599**	**530**	**47%**

Most of the vacant positions have been vacant for some time as the agency does not have sufficient budget to fund them. As for the highly skilled positions, the agency does not have enough internal capacity. The limited skills development budget delays the agency in rolling out the skills intervention programmes approved on the Workplace Slills Plan (WSP). Senior Manager positions were advertised in March 2021 following the approval of the new organisational structure. The process of appointing will be finalised in the new financial year.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	5	1	1	5
Senior Management	11	0	1	10
Professional Qualified	131	2	4	129
Skilled	78	1	4	75
Semi-skilled	219	0	9	210
Unskilled	174	5	9	170
TOTAL	**618**	**9**	**28**	**599**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	10	1.67%
Resignation	3	0.5%
Dismissal	0	0
Retirement	14	2.34%
Ill health	0	0
Expiry of contract	1	0.17%
Other	0	0
TOTAL	**28**	**4.68%**

The total percentage of staff that left the agency during the reporting period is 4.68%. The highest contributing reason for staff leaving the agency is retirements. Of the 28 employees who left during the year, 14 employees went on retirement. Although the agency had limited budget to fill positions but all positions that became vacant during the year were advertised since they were funded. The agency advertised almost all positions that had become vacant due to the reasons indicated on the above table. The recruitment drive will however continue after placement of personnel into the newly approved Organogram.

Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	0
Final Written warning	0
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	3	0	0	0	0	0	0
Senior Management	4	10	0	0	0	0	1	2
Professional Qualified	54	64	1	2	0	1	30	30
Skilled	31	39	0	1	0	1	2	4
Semi-skilled	162	219	1	6	0	2	0	10
Unskilled	60	65	0	0	0	0	0	0
TOTAL	**315**	**400**	**2**	**9**	**0**	**4**	**33**	**46**

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	3	0	0	0	0	0	0
Senior Management	6	8	0	1	0	0	0	1
Professional Qualified	37	40	1	2	1	2	8	12
Skilled	38	37	1	1	1	1	5	6
Semi-skilled	48	80	0	5	0	2	0	10
Unskilled	108	130	0	0	0	0	0	0
TOTAL	**238**	**298**	**2**	**9**	**2**	**5**	**13**	**29**

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	1	0	1
Professional Qualified	1	2	1	2
Skilled	0	2	0	1
Semi-skilled	5	2	0	3
Unskilled	3	3	5	3
TOTAL	**9**	**10**	**6**	**10**

PART E

Financial Statements

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To perform its duties in line with Mpumalanga Tourism and Parks Agency Act 5 of 2005. Mpumalanga Tourism and Parks Agency's (hereinafter "MTPA") main shareholder is the Department of Economic Development and Tourism formerly DEDET (hereinafter "DEDT") from which it receives its' funding.
Interim Board Members in the office during the reporting period	Hon. Mr. Mkhatshwa PV — Appointed 01 March 2021 to date Hon. Ngomane P — Appointed 01 March 2020 to 01 March 2021 Mr. Nzima TJ (Chairperson)* Ms. Shabangu-Mndawe NR (Deputy Chairperson)* Ms. Mzuzu NB* Ms. Nkambule TB* Mr. Gololo CL* Mr. Mthombeni SG* Ms. Makhathini SFS* Ms. Sekhitla JS* Dr. Magome DT* Mr. Keetse TF*
Ex officio Board Members	Mr. Mdluli L (Shareholder representative) Mr. Nobunga BJ (Chief Executive Officer)
Co-opted Committee Members	Ms. Maseko MA Dr. Venter FJ
Registered office	Samora Machel Drive Hall’s Gateway Mataffin Mbombela 1200
Business address	Samora Machel Drive Hall's Gateway Mataffin Mbombela 1200

Postal address	Private Bag X11338 Mbombela 1200
Bankers	Standard Bank and, First National Bank of South Africa Limited
Auditors	The Auditor General South Africa
Secretary	Mr. Mogale DC (Appointed 01 February 2021)

** Term ended 29 February 2020 and extended on the 22 June 2020.*

Interim Audit and Risk Committee External Independent Members for the reporting period	Ms. Mvulane P (Chairperson) (Independent) Mr. Mthembu S (Independent) Mr. Zakwe M (Independent) Ms. Mzuzu NB (Board member) Ms. Makhathini SFS (Board member)

Three Rondavels at Blyde River Canyon

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THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE ANNUAL FINANCIAL STATEMENTS PRESENTED TO THE STAKEHOLDERS:

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Board is aware of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to, the following:

- establishing and maintaining an effective, efficient and transparent systems of financial and risk management, and internal controls;
- managing, including the safe guarding of assets and the management of the revenue, expenditure and liabilities of the MTPA;
- taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the MTPA;
- taking effective and appropriate disciplinary steps against any employee(s) of the MTPA who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of the MTPA; or makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;
- keeping full and proper records of the financial affairs of the MTPA; and
- preparation of the Annual Financial Statements for each financial year, in accordance with GRAP.

The Board confirms that it has discharged all the above stated responsibilities during the financial year ended 31 March 2021. And, to the best of the Board's knowledge and belief, the Board further confirms the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements.
- The report is complete, accurate and free of omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury and the Annual Financial Statements were prepared in accordance with the PFMA and Generally Recognised Accounting Practice (GRAP).
- The Going Concern basis has been adopted in preparing the Annual Financial Statements. The Board, after having reviewed management's assessment of the MTPA's ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where transgressions are indicated in the Annual Report.

The AGSA is responsible for expressing an independent opinion on the Annual Financial Statements of the MTPA.

In the Board's opinion, the Annual Report and Financial Statements fairly presents in all material respects, the state of affairs of the MTPA, its business, its financial results and its performance against predetermined objectives for the year ended 31 March 2021 and its financial position as at 31 March 2021.

Mr. T.J. Nzima
Chairperson of the MTPA Interim Board

Mr. B.J. Nobunga
Chief Executive Officer

REPORT OF ACCOUNTING AUTHORITY

1. Background

The MTPA is a juristic person established in terms of the MTPA Act (Act 5 of 2005) and is registered as a Schedule 3C Public Entity in terms of the PFMA Act (Act 1 of 1999). The MTPA's main shareholder is the Department of Economic Development and Tourism (hereinafter ''DEDT'') from which it receives its funding.

2. Review of Activities
Main business and operations
Overview of the Agency's operations

The operating results and state of affairs of the entity are fully set out in the attached Annual Financial Statements.

	2021 R	2020 Restated* R
Grant received	352 996 000	361 822 957
Conditional grant - Expanded Public Works Programme	2 858 000	2 397 000
Zithabisebeni	25 654 000	25 654 000
(Deficit)	(48 226 835)	(41 412 047)
Total assets	644 646 155	696 399 794
Total liabilities	59 588 180	63 114 980

3. Going concern

The MTPA is solvent and liquid. As a going concern, its total assets exceeds its total liabilities and its current assets exceeds its current liabilities. The MTPA's net asset value of R585 057 975 (**Restated 2020:** R633 284 814) and net current asset value of R1 125 973 **(Restated 2020:** R18 746 562).

The MTPA's Managing Authority is the Department of Economic Development and Tourism ("the Department"). The MTPA's operations are financed by the grant received from the Department. The grant accounts for about 84% of the MTPA's revenue. Thus, continued support from the Department is instrumental in the MTPA's ability continue operations.

The Covid-19 pandemic and the related declaration of a national disaster, lockdown and associated negative economic effects has raised significant uncertainty in regard to future transactions. Management has made judgements and estimates and determined risks with regard to the impact on its going concern based on estimates and information available to it up to the date of issue of the Financial Statements.

4. Irregular Expenditure

Irregular expenditure amounting to R14 835 836 (**2020:** R16 779 965) was identified during the year under review. The details of these are disclosed under Note 35: off the irregular expenditure of R16 779 965 incurred in the prior year, the investigation was concluded. During the current financial year, the MTPA conducted an investigation for irregular expenditure incurred in the 2017/2018; 2018/2019 and 2019/2020 financial year. Adjustments made to the balance of irregular expenditure is in line with the reports.

5. Fruitless and wasteful expenditure

The fruitless and wasteful expenditure amounting to R 1 716 (**2020:** R 702 879) was identified during the year. The details of these are disclosed under Note 32: Fruitless and Wasteful Expenditure of R 820 891 was condoned by the Accounting Authority. In the current financial year, the MTPA conducted an investigation for fruitless and wasteful expenditure incurred in the 2017/2018 and 2018/2019 financial year.

6. Event after the reporting date

The MTPA employees who are members of the National Education, Health and Allied Workers Union (NEHAWU) embarked on an industrial action from the 6th of April to 23rd of April 2021. The industrial action brought limitations of access to the offices, disturbing reporting of the fourth quarter performance and financial information.

Management has determined that these events are non-adjusting events. The financial position and results of operations for the year ended 31 March 2021 have not been adjusted to reflect their impact.

7. Accounting Authority in the office during the reporting period

Hon. Mr. Mkhatshwa PV	Appointed 01 March 2021
Hon. Ngomane P	Appointed 01 March 2020 to 01 March 2021
Mr. Nzima TJ (Chairperson)*	
Ms. Shabangu-Mndawe NR (Deputy Chairperson)*	
Ms. Mzuzu NB*	
Ms. Nkambule TB*	
Mr. Gololo CL*	
Mr. Mthombeni SG*	
Ms. Makhathini SFS*	
Ms. Sekhitla JS*	
Dr. Magome DT*	
Mr. Keetse TF*	
Co-opted Committee Members	
Ms. Maseko MA	
Dr. Venter FJ	
Ex officio Board Members	
Mr. Mdluli L (Shareholder representative)	
Mr. Nobunga BJ (Chief Executive Officer)	

8. Zithabiseni Resort and Conference Centre

The Provincial Executive Council, at its meeting of 23 August 2015, resolved to transfer the Zithabiseni Resort and Conference Centre to the MTPA as a Managing Authority for the resort. The MTPA resumed its responsibilities as the Managing Authority with effect from 01 April 2016. Further to this effect, the Executive Council approved the option, for Zithabiseni to be operated by an independent operator. The independent operator was appointed with effect from February 2019 following a competitive tender process that focused on functionality and cost of investment. The entity has a draft concession agreement to be signed by the three parties, Land Claimants as the Concessor, the MTPA as the Management Authority and the Operator as the Concessionaire.

The MTPA receives the Government grant from the DEDT to transfer to the Zithabiseni Resort and Conference Centre. The grant is mainly for salaries and wages. The Agency maintains appropriate measures to ensure that the Government grant transferred to Zithabiseni is used for its intended purpose. Monitoring on the use of the grant is done through requests for the company's financial statements and regular reporting by the company through quarterly reports and the review of non-financial performance.

9. Annual Financial Statement and Annual Performance Report

The Annual Financial Statement and the Annual Performance Report are for the main Entity (the MTPA) excluding the Nelspruit Development Trust, Nelspruit Financing Trust and Zithabiseni Resort and Conference Centre; and is for the financial year ending 31 March 2021.

10. Conclusion

Other than the above, there is nothing that the MTPA Board wishes to draw attention to that has not already been highlighted elsewhere in the Annual Financial Statements.

Mr. T.J. Nzima
Chairperson of the MTPA Interim Board

Mr. B.J. Nobunga
Chief Executive Officer

REPORT OF THE AUDIT AND RISK COMMITEE

We are pleased to present our report for the financial year ended 31 March 2021. Through the Audit and Risk Committee Charter, the Audit and Risk Committee has adopted appropriate formal terms of reference and has regulated its affairs in compliance with this charter. Accordingly, the committee has discharged its responsibilities as contained therein in the year under review. The fundamental role of the Audit and Risk Committee (ARC) is to assist the Board in effecting its oversight responsibilities in the areas of internal and external audit, internal controls, financial and performance information reporting. The financial year was encompassed by its own challenges, and the pandemic was no exception to the entity.

The Covid-19 pandemic and extended lockdown continued to have a significant impact on the normal operations of the entity, due to budget reprioritisation and the achievement of its key objectives. In response to this, Management revised their annual performance plans for the financial year, expanded its risk strategy and framework to specifically mitigate the impact of Covid-19 pandemic. Internal controls impacted by the pandemic have been assessed, monitored and amended where relevant.

Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. The Committee met on 11 occasions – 4 Ordinary Audit Committee meetings and 7 Special Audit Committee meetings. 3 of the Special Audit Committee meetings dealt with the annual financial statements and annual performance report (unaudited and audited); and the remaining 4 dealt with the review of 2020/21 Annual Performance Plan, Risk Management and Governance reports.

Name	Role	Attended
Ms. PMK Mvulane: Chairperson (1 August 2016)	Chairperson	11
Mr. MS Mthembu (01 April 2013)	External Member	11
Ms. SFS Makhathini (01 April 2016)	Board Member	08
Ms. BN Mzuzu (23 March 2017)**	Board Member	06
Mr. ME Zakwe (1 September 2017)	External Member	4
Mr. SG Mthombeni (01 April 2016)*	Board Member	2

* member from 25 January 2021
** term ended 31 December 2020 ‘

Audit and Risk Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 51 (1) (ii), Section 76 (4) (d) of the Public Finance Management Act 1 of 1999 and Treasury Regulations 27.1.

The Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged its responsibilities as contained therein. The charter is reviewed annually and adopted by the committee on approval by the Accounting Authority.

Key focus areas

During the year under review, the Committee continued in its quest to ensure that the requisite risk management culture, practices, policies resources, and systems are in place and are functioning effectively.

The Committee is satisfied with the notable improvements in the following areas:

a) The appointment of the CFO, which brought about the stability in the finance function and reporting; the submission of the annual financial statements and performance report;
b) The appointment of the Risk Management Chairperson, which further brought alignment and improvement in addressing the root causes; risk management reporting across the business units within the entity and provides regular feedback to the Committee; and
c) Improvement of ICT with limited resources especially noting the fact that this was during the pandemic

Internal Audit

The Committee monitored the work of Internal Audit against the approved Internal Audit Plan throughout the financial year. The Committee further ensured that the Internal Audit reports and conclusions thereof were based on independent reviews and in compliance with the stipulations of the approved Audit Committee Charter. The internal audit function was co-sourced and operational for the financial year under review to maximise its coverage of the risk exposures facing the Agency, even though there were budget constraints. In collaboration with Monitoring and Evaluation and Internal Audit, Management succeeded in improving controls.

Efforts to supplement the capacity of the Internal Audit Activity ("IIA") have been noted by the Committee, and will continue to be monitored.

The Committee reviewed the internal audit reports; where there were control weaknesses identified within the Agency the Committee considered the adequacy of management responses, to ensure the risk exposure is reduced and there is continuous improvement within the control environment. The management corrective actions were not always adequate to deal with the system or processes.

The Committee reviewed and is satisfied with the effectiveness of the internal audit function taking into account the available budget for the internal audit unit.

The reports of the Audit and Risk Committee were recommended to the Accounting Authority for adoption.

Risk Management

The Audit and Risk Committee is responsible for oversight of the institution's control, governance and risk management. Furthermore, the Audit and Risk Committee provides the Board with independent counsel, advice and direction in respect of risk management and thus the stakeholders rely on the Committee for an independent and objective view of the institution's risk management processes. As a result, the Committee provides the oversight required to ensure that stakeholder interests are protected. The committee is satisfied with the effectiveness of its oversight of the governance of risk and this was attested to by Management's engagement on risk management processes and utilising this as a management tool.

The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges all its responsibilities in compliance with this approved Charter. The Risk Management Committee provided the Audit and Risk Committee with quarterly progress reports which were evaluated and recommended to the Accounting Authority for adoption. The Audit and Risk Committee, through its scrutiny of all submitted risk management reports, monitored and advised on risk mitigation.
Effectiveness of Internal Controls

The Audit and Risk Committee provided oversight on programmes of the Agency in line with applicable provisions of the PFMA, the Treasury Regulations and its approved Audit and Risk Committee Charter. This was achieved through the assurance reviews conducted by Internal Audit as well as the assurance reviews by the Auditor-General of South Africa (AGSA) in line with the approved coverage plans, respectively. The collaboration of the Internal Audit; Monitoring and Evaluation functions; and the Management commitment thereby using internal audit and risk management as a tool to improve controls played a role in the improved control environment of the entity. The Committee satisfied that the entity's system of internal controls do exist and appreciates the recorded improvement of their effectiveness, which forms a basis for the preparation of reliable annual financial statements and performance report. The Committee also noted the reduction in previous reported deficiencies in internal controls from prior years.

The following internal audit work was completed during the year under review:

- Completing the review of Internal Audit Strategic and Annual Operational Plan;
- Review of the Board Audit &Risk Committee; Internal Audit; and the Risk Management Committee Charters;
- Risk Assessment Attendance and review of Risk Assessment Reports;
- Audit of Pre-Determined Objectives (quarterly audits);
- External Audit Readiness - Annual Financial Statements and Performance Information Review;

- Finance: Revenue Management, Supply Chain Management including Irregular expenditure; Asset Management wherein focused was on the asset valuation vs. cost model);
- Executive Office: Project Management audit;
- Corporate services: ICT, and Occupational Health and Safety Audits;
- Follow-up audits – previous internal audits;
- Follow-up audits – previous external audits findings; and
- Internal Control Assessment.

In-Year Management and Quarterly Reporting

The committee determined that the administration of quarterly reports submitted in terms of the PFMA and Division of Revenue Act were partly adequate according to internal audit results and management assurances.
Evaluation of Financial Statements

The Audit and Risk Committee has:

- Evaluated the audited annual financial statements for the consistent application of accounting policies and practices; and reviewed the changes in accounting policies and practices
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- Considered the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Entity for the year ended 31 March 2021 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the annual financial statements for abnormal and/or significant transactions of the agency and the disclosure thereof;
- Sought explanations for and evaluated all significant variances in the annual financial statements as compared to the prior year;
- Evaluated the clarity and completeness of disclosure and whether disclosures made have been set properly in context; and
- Evaluated write-offs and the levels of general and specific provisions.

Evaluation of reporting on pre-determined objectives

The Audit and risk Committee has to the extent possible:

- Reviewed the alignment of performance reporting to the annual performance plan;
- Reviewed the consistency of quarterly reporting to the annual report; and
- Noted the Internal Audit findings on whether the performance reported is in agreement with portfolio of evidence.

Auditor General South Africa

The committee is satisfied that the Auditor General South Africa as external auditor is independent and the committee determined that the Auditor General South Africa did not provide non-audit services during the year.
The committee has reviewed the entity's implementation plan for audit issues raised in the previous years and we are satisfied that 90% of the matters have been adequately resolved. We will monitor the remainder of matters that still need attention.

The Audit and Risk Committee concurs with the Auditor General South Africa's conclusions on the annual financial statements and pre-determined objectives and noted the improved audit outcome to an unqualified audit opinion with findings.

Future areas of focus

- Continue to monitor closely risk trends or new emerging risks and Management's response.
- Provide oversight on the Implementation of the Risk Strategy and Risk Management Plan in line with the Risk tolerance framework.
- Continue focus on ensuring that financial and non-financial systems, processes and internal controls are operating effectively

General

The Audit and Risk Committee strongly recommends that the entity must continue to prioritise the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external auditors together with all other recommendations made by the Audit and Risk Committee in order to achieve the required effectiveness in governance, accountability and clean administration.

Ms. Precious Mvulane
Chairperson of the Audit and Risk Committee

Report of the auditor-general to the Mpumalanga Provincial Legislature on the Mpumalanga Tourism and Parks Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mpumalanga Tourism and Parks Agency as set out on pages 118 to 168, which comprise the statement of financial position as at 31 March 2021, 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 Mpumalanga Tourism and Parks Agency as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 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 public 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 38 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 28 to the financial statements, the public entity is the defendant in a lawsuit of R740 million. The matter is currently before the North High Court in Pretoria. An uncertainty about the amount claimed exists until the court has made a ruling. 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.

Events after the reporting date

9. I draw attention to note 40 to the financial statements, which deals with events after the reporting date. The public entity's employees embarked on an industrial action from 6 April 2021 to 23 April 2021. The industrial action limited access to the offices, disrupting reporting on the fourth quarter performance and financial information. Management has determined that these events are non-adjusting.

Impairments – trade debtors

10. As disclosed in note 3 to the financial statements, material losses of R6,52 million were incurred as a result of a provision for the impairment of debtors.

Responsibilities of the accounting authority for the financial statements

11. 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.

12. In preparing the financial statements, the accounting authority is responsible for assessing the public 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 public 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

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

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public 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 public 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.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 5 : biodiversity conservation	53 – 61

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Percentage compliance to the number of administrative enforcement notices issued for non-compliance with environmental legislation

20. An achievement of 70% compliance with 330 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021 was reported in the annual performance report against the target of 70% compliance with 45 administrative enforcement notices issued for non-compliance with environmental legislation. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to a lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 22 to 67 for information on the achievement of planned targets for the year and management's explanations provided for the under- or over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 20 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the selected programme. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements

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

Procurement and contract management

27. Some invitations for competitive bidding were not advertised for the required minimum period, as required by treasury regulation 16A6.3(c).

28. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d).

29. Some bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).

30. In some instances, the prices of personal protective equipment items were higher than the prescribed prices listed in annexure A of National Treasury Instruction Note 5 of 2020/21, in contravention of paragraph 4.3 of the same instruction note.

31. In some instances, the suppliers of personal protective equipment items were not registered with the Department of Small Business Development, as required by paragraph 4.6(d) of National Treasury Instruction Note 5 of 2020/21.

Expenditure management

32. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R14,84 million, as disclosed in note 35 to the financial statements, as required by section 51(1)(b)(ii) of the PFMA. Most of the irregular expenditure was caused by contract extensions that were not properly approved.

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

34. 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 programmes presented in the annual performance report that have been specifically reported in this auditor’s report.

35. 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.

36. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

37. The other information I obtained prior to the date of this auditor’s report is the general information of the public entity and the report of the accounting authority. The foreword by the chairperson of the board is expected to be made available to me after 31 August 2021.

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

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

Internal control deficiencies

40. 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 the annual performance report and the findings on compliance with legislation included in this report.

41. Leadership did not ensure that adequate oversight responsibility was exercised regarding financial and performance reporting and compliance, as well as related internal controls.

42. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

Auditor - General

Mbombela
31 August 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public 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 to communicate with 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.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	2	1 320 758	1 793 909
Receivables from exchange transactions	3	2 924 396	6 213 061
Receivables from non-exchange transactions	4	1 022 255	1 616 517
Cash and cash equivalents	5	52 377 318	68 550 545
		57 644 727	**78 174 032**
Non-Current Assets			
Property, plant and equipment	6	551 663 692	582 746 060
Intangible assets	7	54 529	196 495
Heritage assets	8	35 283 207	35 283 207
		587 001 428	**618 225 762**
Total Assets		**644 646 155**	**696 399 794**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	21 367 212	20 430 897
Project liabilities	13	33 433 514	37 166 124
Provisions	12	886 765	1 026 426
Service concession - short term portion	14	708 085	708 085
Long service awards - short term portion	11	123 178	95 938
		56 518 754	**59 427 470**
Non-Current Liabilities			
Long service awards	11	945 173	855 172
Service concession - realisation of concession liabilities	14	2 124 253	2 832 338
		3 069 426	**3 687 510**
Total Liabilities		**59 588 180**	**63 114 980**
Net Assets		**644 646 155**	**696 399 794**
Contribution from owners	15	70 015 412	70 015 412
Reserves			
Revaluation reserve		405 195 274	420 385 085
Accumulated surplus		109 847 289	142 884 317
Net Assets		585 057 975	633 284 814
Total Liabilities		59 588 180	63 114 980
Total Net Assets and Liabilities		**644 646 155**	**696 399 794**

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods	16	1 729 276	6 865 444
Rendering of services	17	8 841 123	34 227 577
Concession fees	18	2 363 143	6 470 908
Other operating income	19	10 176 011	8 793 650
Interest received	20	883 355	2 233 546
Total revenue from exchange transactions		**23 992 908**	**58 591 125**
Revenue from non-exchange transactions			
Government grants			
Government grants	21	352 996 000	361 822 957
Conditional grant (EPWP, and other)		5 813 714	3 060 858
Total revenue from non-exchange transactions		**358 809 714**	**364 883 815**
Total revenue	21	**382 802 622**	**423 474 940**
Expenditure			
Employee related costs	22	(299 020 380)	(300 012 078)
Depreciation and amortisation		(33 981 129)	(33 759 346)
Impairment loss	26	(1 586 291)	(12 730 127)
Interest expense	23	(1 716)	(602)
Operating expenses	24	(92 741 168)	(115 319 117)
Repairs and maintenance	25	(3 698 773)	(3 065 717)
Total expenditure		**(431 029 457)**	**(464 886 987)**
Deficit for the period ended 31 March 2021		**(48 226 835)**	**(41 412 047)**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	Contribution from owners	Revaluation reserve	Accumulated surplus	Total net assets
Balance as at 1 April 2019 *Restated*		**70 015 412**	**357 376 905**	**165 920 277**	**593 312 594**
Changes in net assets					
Deficit for the year		-	-	(41 510 335)	(41 510 335)
Prior period error	38	-	-	(1 358 350)	(1 358 350)
Revaluation surplus on building		-	77 065 019	-	77 065 019
Realisation of revaluation surplus on building		-	(14 056 839)	14 056 839	-
Correction adjustments		-	-	5 775 887	5 775 887
Total changes		-	63 008 180	(23 035 959)	39 972 221
Balance as at 01 April 2020 *Restated*		**70 015 412**	**420 385 085**	**142 884 318**	**633 284 815**
Changes in net assets					
Deficit for the year		-	-	(48 226 835)	(48 226 835)
Realisation of revaluation surplus on building		-	(15 189 811)	15 189 811	-
Total changes		-	(15 189 811)	(33 037 024)	(48 226 835)
Closing balance as at 31 March 2021		**70 015 412**	**405 195 274**	**109 847 294**	**585 057 980**
Note(s)		15			

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		25 477 665	56 110 397
Cash receipts from non-exchange transactions		350 404 826	364 946 336
Interest received		883 355	2 233 546
EPWP		2 858 000	2 397 000
		379 623 846	**425 687 279**
Payments			
Employee costs		(298 855 560)	(299 675 493)
Suppliers		(89 740 016)	(115 271 429)
Interest expense		(1 716)	(602)
		(388 597 292)	**(414 947 524)**
Net cash flows from operating activities	27	**(8 973 446)**	**10 739 755**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3 467 171)	(7 487 311)
Purchase of intangible assets	7	-	(56 810)
Net cash flows from investing activities		**(3 467 171)**	**(7 544 121)**
Cash flows from financing activities			
Movement in project liability	13	(3 732 610)	19 011 872
Net increase/(decrease) in cash and cash equivalents		**(16 173 227)**	**22 207 506**
Cash and cash equivalents at the beginning of the period		68 550 545	46 343 039
Cash and cash equivalents at the end of the period	5	**52 377 318**	**68 550 545**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final YTD Budget	YTD Actual amounts on comparable basis	Difference between final YTD budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	1 607 347	-	**1 607 347**	1 729 276	**121 929**	
Rendering of services	16 394 521	-	**16 394 521**	8 841 123	**(7 553 398)**	
Concession fees	2 340 433	-	**2 340 433**	2 363 143	**22 710**	
Rental income	57 600	-	**57 600**	224 976	**167 376**	
Recoveries	268 516	-	**268 516**	282 392	**13 876**	
Hunting wildlife sales	45 000	-	**45 000**	206 325	**161 325**	
Joint project conservation income	-	-	-	6 954 888	**6 954 888**	
Sundry income	198 583	-	**198 583**	1 914 477	**1 715 894**	
Interest received	600 000	-	**600 000**	883 355	**283 355**	
Total revenue from exchange transactions	**21 512 000**	-	**21 512 000**	**23 399 955**	**1 887 955**	
Revenue from non-exchange transactions						
Transfer revenue						
Grant allocation	339 496 000	13 500 000	**352 996 000**	352 996 000	-	
EPWP	2 858 000	-	**2 858 000**	2 858 000	-	
Unspent reserves	-	21 895 000	**21 895 000**	21 895 000	-	
Total revenue from non-exchange transactions	**342 354 000**	**35 395 000**	**377 749 000**	**377 749 000**	-	
Total revenue	**363 866 000**	**35 395 000**	**399 261 000**	**401 148 955**	**1 887 955**	
Expenditure						
Compensation of employees	(302 670 000)	3 747 000	**(298 923 000)**	(298 833 140)	**89 860**	
Board and board committee compensation	(1 430 000)	(1 100 000)	**(2 530 000)**	(2 535 383)	**(5 383)**	
EPWP compensation	(2 858 000)	-	**(2 858 000)**	(2 890 422)	**(32 422)**	
Programme costs	(17 554 000)	(17 857 000)	**(35 411 000)**	(25 128 311)	**10 282 689**	
Payment of capital assets	(800 000)	(3 198 000)	**(3 998 000)**	(3 467 171)	**530 829**	
Goods and services	(38 554 000)	(11 881 000)	**(50 435 000)**	(50 416 649)	**18 351**	
Total expenditure	**(363 866 000)**	**(30 289 000)**	**(394 155 000)**	**(383 271 076)**	**10 883 924**	
Operating surplus	-	**5 106 000**	**5 106 000**	**17 877 879**	**12 771 879**	
Joint project conservation expenses	-	-	-	(7 776 832)	**(7 776 832)**	
Interest expense	-	-	-	(1 716)	**(1 716)**	
Ring-fenced funds	-	-	-	(2 436 188)	**(2 436 188)**	
	-	-	-	**(10 214 736)**	**(10 214 736)**	
	-	**5 106 000**	**5 106 000**	**7 663 143**	**2 557 143**	

Figures in Rand	Approved budget	Adjustments	Final YTD Budget	YTD Actual amounts on comparable basis	Difference between final YTD budget and actual	Reference
Surplus/(Deficit) before taking into account non-cash items				**7 663 143**	**2 557 143**	
Reconciliation						
Basis difference						
Assets donation				2 628 114		
Realisation of concession revenue				708 085		
Impairment loss				(1 586 291)		
Bonus provision				72 808		
Bad debts provision				(3 509 220)		
Profit/(Loss) on fixed assets				(1 713 988)		
Depreciation				(33 981 130)		
Long service awards				(187 240)		
Decrease in stock adjustments				(32 948)		
Provision for leave				139 661		
Non income statement - capex				3 467 171		
Unspent reserves				(21 895 000)		
Surplus/(Deficit) for non-cash items				**(48 226 835)**		

Reconciliation between budget and statement of financial performance

Net surplus per the statement of financial performance	7 663 143
• Joint project income and cannot be budgeted for, as joint project conservation occurs as and when required by the different parties	(6 954 888)
• Revenue from exchange transaction is less than budget as a result of COVID 19 restrictions.	5 066 933
Total expenditure variance results from the following:	
• Unspent reserves is directed towards overspending in compensation of employee costs of R3.5m as a result of budget reduction of R 6.5m	(89 860)
• The overspending in board committee is less than 1 % above the budget.	5 383
• The overspending in EPWP compensation is less than 1 % above the budget.	32 422
• Programme costs underspending due to budget adjustment of R10m towards Tourism relief funds which was deferred to the next financial year 2022	(10 282 689)
• Payment of capital assets saving results from delayed implementation	(530 829)
• Goods and services underspending	(18 351)
• Joint project conservation expenses depends on the progress on projects, as it falls outside MTPA normal operations, and is externally funded.	10 213 020
• Interest paid	1 716
Net surplus per approved budget	**5 106 000**

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

1. Basis of Preparation

The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999)

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these Annual Financial Statements, are set out below, which are consistent with those adopted in the prior financial year:

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. They are presented in South African Rand. The figures are rounded off to the nearest Rand.

1.1 Significant judgements and sources of estimation uncertainty

- These Annual Financial Statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 6 months.
- The Annual Financial Statements have been prepared on accrual basis.
- Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.
- Transactions are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with that which is apparent from their legal or contrived form.
- Presentation and disclosure takes into consideration the materiality of the transaction, which can either be material qualitatively or quantitatively or both.
- 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 judgements are 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. Accounting estimates are utilised in determining fair value, total useful lives and remaining useful lives of property, plant and equipment.

1.2 Property, plant and equipment

Land accounted for under property plant and equipment has an indefinite useful life and is not depreciated.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are recognised in the Statement of Financial Position initially at cost and thereafter measured at the end of the reporting year at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of such infrastructure and buildings is credited directly to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in surplus or deficit, in which case the increase is credited to surplus or deficit to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in surplus or deficit to the extent that it exceeds any credit balance existing in the revaluation reserve relating to a previous revaluation of that asset

Depreciation on revalued buildings is recognised in set of Statement of Financial Performance. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated deficit. The revaluation reserve in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus or deficit as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on original cost of the asset.

Other fixed assets are stated at cost or deemed cost in terms of directive 7, less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end. Changes are accounted for as a change in accounting estimate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

The depreciation rates are in accordance with the MTPA's asset management policy. Assets are written off over their expected useful lives up to their residual values. The depreciation rates are the following:

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

Item	Average useful life
Land	Indefinite
Buildings	10 - 50 years
Machinery and mechanical equipment	5 - 25 years
Furniture and fixtures	5 - 25 years
Motor vehicles	5 - 30 years
Computer equipment	3 - 15 years
Infrastructure	10 - 80 years
Minor assets	2 years

Work-in-progress

Work-in-progress related to assets under construction. The cost of a work-in-progress asset is determined using the same principles as for an acquired asset outlined above. Work-in-progress assets are not depreciated. Depreciation only commences when the asset thus constructed becomes available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Service concession arrangements: Entity as grantor

Service concession arrangements arise from the service concession agreements that the Entity (the grantor) has with different operators. These arrangements give the operator the right to provide a mandated function of the Entity over the period of service concession agreement. The operator is given the right to either to build and or operate an infrastructure asset within the entity's parks.

These transactions give rise to assets (infrastructure and other movables assets), liabilities and revenues that are accounted for in the manner outlined below:

Assets

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

Recognition

The grantor shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

- the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them and at what price.
- the grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the term of the arrangement.

Initial measurement

The grantor shall initially measure a new service concession asset that meets the concession asset recognition criteria, at its fair value.

Where an existing asset meets the conditions of a concession asset, the grantor shall reclassify the asset as a concession asset. The reclassified service concession asset shall be initially measured and accounted for, in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Subsequent measurement

After initial recognition or reclassification, service concession assets shall be initially measured and accounted for (in all respects), in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Liability

Recognition

Where the grantor recognises a service concession asset, the grantor shall also recognise a liability. The grantor shall not recognise a liability where an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Initial measurement

Where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the grantor shall account for the liability recognised as a financial liability.

The liability arising from concession asset recognition shall be initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration (e.g. cash) from the grantor to the operator, or from the operator to the grantor.

Subsequent measurement

The Financial Liability Model

Subsequent to initial measurement, the Standard of GRAP on Financial Instruments (GRAP 104) applies to the financial liability recognised above.

The grantor shall allocate the payments to the operator and account for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charges and charges for services provided by the operator in a service concession arrangement shall be accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the grantor to the operator shall be allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the grantor to the operator is determined using estimation techniques.

Grant of a Right to the Operator Model

Where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue generating asset, the grantor shall account for the liability, as the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator.

The grantor shall recognise revenue and reduce the liability recognised, according to the substance of the services concession arrangement.

Other Liabilities

The grantor shall account for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the Standard of GRAP on Provisions, Contingent Assets (GRAP 19) and Financial Instruments (GRAP 104).

Other Revenues

The grantor shall account for revenues from a service concession arrangement, other than those specified under Grant of a right to the operator model in accordance with the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9).

Derecognition

Service concession arrangements are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of service concession arrangements 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.

Compensation from third parties for service concession arrangements that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.4 Accounting by principals and agents

Identification

An agent is an Entity that has been directed by another Entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an Entity that directs another Entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one Entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the Entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an Entity is a principal or an agent requires the Entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The Entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the Entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the Entity concludes that it is not the agent, then it is the principal in the transactions.
The Entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the Entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the Entity is an agent.

Recognition

The Entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The Entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.5 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the Entity from which the Entity expects to derive future economic benefits.

An intangible asset is identifiable if it either is separable, i.e is capable of being separated or divided from the Entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Entity intends to do so or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Entity or from other rights and obligations.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.
The Entity assesses the probability of expected future economic benefits 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 that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is recognised in the profit or loss and is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the assets to their residual values at the end of their useful lives.

Intangible assets are amortised at the following rates:

Computer software 3 - 15 years

1.6 Heritage assets

Heritage assets are assets, which have a cultural, environmental, historical, natural, scientific, technological, or artistic significance, and are held indefinitely for the benefit of present and future generations.

Classes of heritage assets include conservation areas such as reserves. This land is reflected as a heritage asset of the MTPA.

Characteristics often displayed by heritage assets include the following:

- their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms;
- ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale; they are often irreplaceable;
- their value may increase over time even if their physical condition deteriorates;
- they have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance;
- and they are protected, kept unencumbered, cared for and preserved.

Recognition

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the Entity; and
- the cost or fair value of the asset can be measured reliably.

The MTPA holds heritage assets through conservation areas in the reserves that are regarded as heritage assets. The MTPA does not recognise heritage assets, which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured. Relevant and useful information about them has been disclosed in the notes to the Annual Financial Statements.

Initial measurement

A heritage asset that qualifies for recognition as an asset, shall be measured at its cost. When it is acquired through a non-exchange transaction, it will be measured at its fair value/deemed cost as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The MTPA assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the MTPA estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. The transfer will be made at the carrying value of the heritage asset.

Derecognition

MTPA derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.7 Biological assets that form part of an agricultural activity

The MTPA's main mandate is to provide for the sustainable management and promotion of tourism and nature conservation in the Mpumalanga Province and to ensure the sustainable utilisation of natural resources. As part of this mandate, the MTPA is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species.

The MTPA does not intervene in eco-systems. The nature reserves are home to different species of animals where all inhabitants of an eco-system co-exist without human interference.

Biological assets consist of wild animals managed for conservation purposes. This management is however not an agricultural activity as the main objective is not to harvest (or produce additional biological assets for harvest) but manage and maintain a specific environment as a whole. Hence such assets cannot be accounted for using the principles of GRAP 27. Hence the MTPA has accounted for these assets in accordance with the principles and interpretations of GRAP 17.

Based on the Framework for the Preparation and Presentation of Financial Statements and GRAP 17, these assets meet the definition of an asset but does not meet the recognition criteria relating to reliable measurement. The MTPA cannot reliable measure the values of biological assets as they are not of a nature that can be easily counted with a level of certainty. Valuations are not easily available as the assets are kept for conservation purposes, and the parks cannot keep up with births and deaths and migrations of wildlife. As the biological assets cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

The MTPA does not recognise its biodiversity assets as it does not meet the recognition criteria, but only discloses statistical numbers results as additional disclosure for the benefit of users to the Annual Financial Statements.

GRAP 110

Living resources .15 A living resource shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the Entity; and
- the cost or fair value of the asset can be measured reliably.

Assessing if a living resource is an asset

16. The definition of an asset is met if the living resource is controlled by the Entity, as a result of past events, and from which future economic benefits or service potential is expected to flow to the entity.

17. Control of a living resource may be evidenced:

- by legislation or similar means, where the Entity is granted control of an asset to meet its service delivery objectives;
- through an acquisition;
- due to a non-exchange transaction, for example through a donation or reproduction which results in off-spring.

18. To demonstrate control, the Entity needs to control the right or access to future economic benefits or service potential of the resource. To assess whether the Entity controls the living resource, the following indicators can be applied individually, or in combination, to conclude that control exists:

- The intervention by an Entity in the management of the physical condition of the living resource.
- The ability to restrict the movement of the living resource.
- The ability to direct the use of the living resource."

In light of the above, the MTPA has no control over its living and non-living assets, hence cannot record living and non- living resources as assets.

1.8 Financial instruments

Initial recognition

The MTPA classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the MTPA's Statement of Financial Position when the MTPA becomes party to the contractual provisions of the instrument.

Receivables from exchange and non-exchange transactions

Trade and other receivables are classified as receivables from exchange transactions and receivables from non-exchange transactions.

Trade receivables are measured at initial recognition at fair value less provision made for impairment of these receivables.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector either through established practices or legislation.

The MTPA provides for receivables which are older than 120 days. Appropriate allowances for estimated irrecoverable amounts are recognised in deficit or surplus when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The carrying value of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

Payables from exchange transactions and payables from non-exchange transactions

Payables from exchange transactions are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Other loans and receivables

Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment losses.

These financial assets are not quoted in an active market and have fixed or determinable payments.

Financial Instrument

Projects arise as and when a new project is planned per the MTPA's implementation plan. These projects are funded by external stakeholders and the projects funds are managed by the MTPA.

Included in this liability are the community benefit sharing projects. The community benefit-sharing projects arise upon the existence of a co-management agreement between the MTPA and the respective communities adjacent to the protected area.

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.
- cash;
- a residual interest of another Entity; or
- a contractual right to:
  - receive cash or another financial asset from another Entity; or
  - exchange financial assets or financial liabilities with another Entity under conditions that are potentially favourable to the Entity.
- deliver cash or another financial asset to another Entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the Entity.
- equity instruments or similar forms of unitised capital;

- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an Entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an Entity.
- the Entity designates at fair value at initial recognition; or
- are held for trading.
- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.9 Tax

Current tax assets and liabilities

The MTPA is registered as a tax payer in terms of S10(1) of the Income Tax Act, 1962. The institution qualifies as an exempt institution, and is accordingly exempt from South African normal tax in terms of S10(1) of the Income Tax Act, 1962.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Operating leases

Leases for assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease after taking into account any fixed escalation clauses.

Contingent rents are charged as an expense in the periods in which they are incurred.

1.11 Inventories

The MTPA inventories include consumables, cleaning materials, stationery and fuel.

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

Inventories are subsequently measured at the weighted 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.

Current replacement cost is the cost the Entity incurs to acquire the asset on the reporting date.

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

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are those assets held by the MTPA without an intention of generating a commercial return from such asset, such as assets used for general administrative and governance purposes and assets used purely for service delivery. This identification is based on the materiality of cash flows generated from these assets.

The MTPA assesses at each reporting date whether any indications exist that an asset may be impaired. When such an indication exists, the MTPA estimates the recoverable service amount of the asset. The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined by using either the depreciated replacement cost, restoration cost or service unit approach, depending on the availability of data and the nature of the impairment.

If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.
The MTPA 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 MTPA estimates the recoverable service amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in carrying amount of an asset due to the reversal of impairment loss should not exceed what the asset's original carrying value would have been if no impairment loss were recognised.

1.13 Contribution from owners

An equity instrument is any contract that evidences a residual interest in the assets of an Entity after deducting all of its liabilities.

1.14 Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the Entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the Statement of Financial Position, because that asset is no longer considered to be contingent.

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, bonuses, 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.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

Other long-term employee benefits

Other long-term employee benefits may include, for example:

- long-term compensated absences such as long service or sabbatical leave;
- other long service benefits;
- long-term disability benefits;
- bonus, incentive and performance related payments payable twelve months or more after the end of the reporting period in which the employees render the related service;
- deferred compensation paid twelve months or more after the end of the reporting period in which it is earned.

Long service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the MTPA. The MTPA's obligation under these plans is valued periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by Management and are charged against the Statement of Financial Performance as employee benefits upon valuation.
Gains and losses arising from the experience adjustments and changes in assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by management.

1.16 Provisions and Contingencies

A **provision** is a liability of uncertain timing or amount.

Provisions are recognised when:

- The MTPA 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 entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.
Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating deficits.

If an Entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
- the activity/operating unit or part of a activity/operating unit concerned;
- the principal locations affected; - the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the MTPA

No obligation arises as a consequence of the sale or transfer of an operation until the MTPA is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in Entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The MTPA recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the MTPA for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the MTPA considers that an outflow of economic resources is probable, the MTPA recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- 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 asset** is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the MTPA.

The MTPA does not recognize contingent assets. Rather, contingent assets are disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets usually arise from unplanned or other unexpected events that are not wholly within the control of the MTPA and give rise to the possibility of an inflow of economic benefits or service potential to the MTPA. An example is a claim that the MTPA is pursuing through legal processes, where the outcome is uncertain.

Contingent assets are not recognised in financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, an Entity discloses the contingent asset.

1.17 Revenue from non-echange transactions

Government grants

Government grants are recognised in the period when they become receivable and credited to the Statement of Financial Performance. Funds received for capital development as conditional grants are recognised as deferred income and credited to the Statement of Financial Performance on a straight-line basis when the stipulations of the conditional grants are met.

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.

Revenue from non-exchange transactions

Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and

Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the funders. If conditions are attached to the grant, a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.

Assets in-kind

Assets in-kind are property, plant and equipment transferred to an entity in a non-exchange transaction, without charge, but may be subject to stipulations. Assets in-kind are recognised as revenue and property, plant and equipment:

- when it is probable that the future economic benefits or service potential will flow to the MTPA and the fair value of the assets can be measured reliably.
- when the assets are received, or there is a binding arrangement to receive the goods. If assets 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.

On initial recognition, assets in-kind are measured at their fair value as at the date of acquisition, which may be ascertained by reference to an active market, or by appraisal.

1.18 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.

An exchange transaction is one in which the Entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the MTPA has transferred to the purchaser the significant risks and rewards of ownership of the goods;

- the MTPA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

This category includes accommodation and revenue generated from entrance fees.

Other exchange transactions

These includes concession fees, rental income, wildlife income and sundry income, where:

- concession income is income from concessionaires granted right to operators infrastructure facilities within the reserves. Such income is recognised as it accrues over the period of the agreement;
- Implementation fees are fees that are receivable for managing special projects on behalf of other state entities. This income is recognised on a monthly basis, based on the services performed; and
- Rent income is accrued on a daily basis in accordance with the substance of the relevant agreements

Interest Income

Interest is recognised using the effective interest rate method on a time proportion basis. Revenue arising from the use by others of the MTPA assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

1.19 Commitments under service level agreements

Commitments under service level agreements are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at the accounting date, and for amounts which the Boards' approval has been obtained but not yet contracted for. Commitments are not recognised in the Statement of Financial Position as a liability or as an expenditure in the Statement of Financial Performance but are included in the disclosure notes 33.

1.20 Project Liabilities

Projects arise as and when a new project is planned per the MTPA's implementation plan. These projects are funded by external stakeholders and the projects funds are managed by the MTPA.

Included in this liability are the community benefit sharing projects. The community benefit-sharing projects arise upon the existence of a co-management agreement between the MTPA and the respective communities adjacent to the protected area.

1.21 Borrowing costs

Interest expense

All interest expenses are recognised in profit or loss in the period in which they are incurred.

1.22 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.

1.23 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 -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial year is disclosed under note 34.

Irregular expenditure is recorded in the notes to the Annual Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when it is either:

- condoned by the relevant authority if no official was found to be liable in law;
- recovered from an official liable in law;
- written-off if it's irrecoverable from an official liable in law; or
- written-off if it's not condoned and not recoverable.

1.24 Budget information

Entity 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 Entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2020 to 31 Mar 2021.

1.25 Related parties

The MTPA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the MTPA, including those charged with the governance of the MTPA in accordance with legislation, in instances where they are required to perform such functions. This includes close family members who are considered to be those family members who may be expected to influence, or be influenced by Management in their dealings with the MTPA.

1.26 Change in Accounting Policies, Estimates and Errors

Change in estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

Prior period errors

Prior period errors are omissions from, and misstatements in, the Entity's Financial Statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- was available when the Annual Financial Statements for those period were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.
  A prior period error shall be corrected by retrospective restatement in the first set of financial statements authorised for issue after their discovery by:
- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Prior period error adjustments have been disclosed on note 37.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Change in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

An entity shall change an accounting policy only if the change:

- is required by a standard of GRAP; or
- results in the Annual Financial Statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the MTPA's Financial Position, Financial Performance or Cash Flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When is it impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

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

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

1.28 New standards and interpretations

Standards and interpretations effective and adopted in the current year:

The following standards of GRAP have been approved, but are not yet effective, where the Minister has set the effective date. The impact of these standards and interpretations on the MTPA, when they do become effective, are as follows:

GRAP 32: Service Concession Arrangements: Grantor –

This standard will affect the MTPA, as the MTPA does have service concession arrangements.

The potential impact is that the MTPA would have to recognise the assets and liabilities arising from service concession agreement.

The monetary effect of the standard will be assessed in the coming financial year. This entails attaining a value for all assets under concession agreement, that meets the criteria set in the Interpretation GRAP (IGRAP 17, refer below).

This standard is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

The MTPA has early adopted this standard, and has used it to formulate an accounting policy.

GRAP 108: Statutory Receivables –

This Standard will not have any impact on the MTPA as the MTPA does not have receivables that arise from legislation, supporting regulations, or similar means.

This standard is effective from 01 April 2019.

GRAP 109: Accounting by Principals and Agents –

This standard will have an impact on the MTPA as the MTPA does act as both a principal and agent, in binding principal-agent arrangements.

Service concessions agreements give rise to transactions where the MTPA is a principal. The business plans and memorandum of agreement between the MTPA and the different organs of the state from which the MTPA receives funding to implement projects on their behalf, gives rise to the MTPA being an agent.

The impact of the standard when it becomes effective is that the MTPA will have to recognize all revenues, expenses, assets and liabilities arising from transactions where the MTPA is ***a principal***. The material effect of this standard would be the recognition of the concession asset. The liabilities and expenses affecting service concession agreements are already recognized in the Statement of Financial Performance by virtue of other standards of GRAP.

Additionally, the MTPA will have to recognize all assets, liabilities and expenses arising from transactions where the MTPA is ***an agent.*** The material effect of this standard would be the de-recognition of the assets and liabilities that arise from the MTPA acting as an agent. The revenues arising from principal-agent are already recognized in the Statement of Financial Performance by virtue of other standards of GRAP.

IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation GRAP Standards sets out the criteria that ought to be complied with before revenues, expenses, assets and/or liabilities arising from GRAP 32 above, can be recognized in the MTPA's Statement of Financial Performance and Statement of Financial Position.

This Interpretation GRAP is effective from 01 April 2019

The MTPA has early adopted this Interpretation, and has used it to formulate an accounting policy.

IGRAP 18: Recognition and de-recognition of land –

This Interpretation GRAP will have an impact on the MTPA as the MTPA does operates on land for which it has no legal title on, save the right of use.

The impact of the standard when it becomes effective is that the MTPA might have to recognize a major part of the protected land under its use.

This Interpretation GRAP is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

IGRAP 19: Liabilities to pay levies –

This Interpretation GRAP will have an impact on the MTPA as the MTPA does have to pay levies, such as rates and taxes, whose timing and amount are certain.

The impact of the standard when it becomes effective is that the MTPA will have to recognise as liabilities amounts pertaining to levies when a obligating event and/or constructive obligation arise to pay levies.

The monetary effect of the interpretation will be assessed in the coming financial year. This entails assessing all the levies applicable to the Agency, notwithstanding whether or not the MTPA has previously recognized these or not. As long as the levy is a receivable (receivables that arise from legislation, supporting regulations, or similar means) for another organ of the state, the MTPA would have to recognise the liability.

This standard is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

The following standards of GRAP have been approved, but for which the Minister of Finance has not determined the effective date. The MTPA has not applied any of these standards. The impact of these standards on the MTPA when they do become effective are as follows:

GRAP 110: Living and non-living resources –

This standard will have an impact on the MTPA as the MTPA does have living and non-living resources.

Non-living resources includes land, and water, minerals, oils and gas and other non-regenerative resources which have not been extracted. And living resources are those resources that undergo biological transformation, such as plants and animals.

The impact of the standard when it becomes effective is that the MTPA will have to recognize living and non-living resources, subject to the resource meeting the criteria of control.

This standard has been approved, but the effective date has not been set.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	2021	2020 Restated*
2. Inventories		
Consumable stores	513 244	742 769
Fuel (Diesel, Petrol)	832 966	1 051 140
Less: write off of fuel	(25 452)	-
	1 320 758	**1 793 909**
3. Receivables from exchange transactions		
Receivable from exchange transactions	8 299 302	9 379 836
Provision for impairment of trade receivable	(6 517 163)	(3 505 039)
Prepaid expenses	1 142 257	338 264
	2 924 396	**6 213 061**

Trade and other receivables pledged as security

The average credit period on trade receivables is 30 days. No interest is charged on outstanding balances of trade receivable accounts.

The majority of the MTPA's accounts receivables originate from sales of goods and rendering of services. The inherent credit risk is mitigated by a credit verification process performed before awarding future accounts.

The following receivables had balances outstanding that represented more than 5% of the total balance of outstanding receivable from exchange transactions:

Account	2021 Rand	Percentage of total (%)	2020 Rand	Percentage of total (%)
Peter Thormahlen	-	-	456 600	5
South Africa National Parks	749 251	9	-	-
Humala / Pinnacle	-	-	500 352	5
Tintswalo Safari Lodge	3 070 622	37	2 222 811	23
Department Of Economic Development	-	-	599 796	6
Triosphere (Pty) Ltd	-	-	635 594	6
CAWS	1 109 171	13	1 109 171	11
Honeyguide Tented Safari Camps	843 426	10	1 788 356	18
	5 772 470		**7 312 680**	

Ageing of debtors is as follows:

Account	Balance as at 31 March 2021 Rand	Balance as at 31 March 2020 Rand
0 - 30 days	1 297 792	4 871 776
30 - 60 days	159 480	695 000
60 - 90 < days	217 031	141 323
90 - 120 days	107 836	166 698
> 120 days	6 517 163	3 505 039
	8 299 302	**9 379 836**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(3 505 039)	(2 209 422)
Provision for impairment	(3 012 124)	(1 295 617)
	(6 517 163)	**(3 505 039)**

In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The receivable balances that constitute the prior year allowance for impairment losses have not been partially collected in the current year, since these receivables are still in the process of being collected.

4. Receivables from non-exchange transactions

Other receivables*	983 062	1 572 087
Deposits	39 193	39 193
Staff receivables	-	5 237
	1 022 255	**1 616 517**

* The MTPA has conditional grants from different public sector funders for special projects. The terms of reference differs per project. During the execution of such projects, sometimes the MTPA uses their own funds to cover project costs. The above amounts indicate instance where the MTPA has used its own funds to cover project costs. This amount is recoverable from the funders. The MTPA ensures that they do not exceed the project value as per the project's Memorandum of Agreement.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	12 167
Bank balances	52 377 318	68 538 378
	52 377 318	**68 550 545**
Bank Balances		
MTPA operating account	13 169 467	18 790 956
MTPA salaries account	276 117	8 172 739
Funds held on behalf of the projects*	38 931 734	41 574 683
	52 377 318	**68 538 378**

* Funds held on behalf of projects in several bank accounts.

6. Property, plant and equipment

	2021			2020 Restated*		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	4 487 213	-	4 487 213	4 487 213	-	4 487 213
Buildings	660 760 954	(290 496 885)	370 264 069	657 292 503	(272 618 812)	384 673 691
Furniture and fixtures	9 359 556	(4 745 732)	4 613 824	13 295 152	(7 971 914)	5 323 238
Motor vehicles	29 776 558	(16 406 192)	13 370 366	31 415 956	(16 213 032)	15 202 924
Computer equipment	9 098 883	(4 070 841)	5 028 042	12 134 272	(5 974 040)	6 160 232
Infrastructure	281 406 793	(137 540 967)	143 865 826	280 805 553	(125 283 815)	155 521 738
Large and small capital equipment	17 856 210	(11 302 603)	6 553 607	19 840 163	(12 533 903)	7 306 260
Concession - infrastructures	735 433	(200 906)	534 527	735 433	(133 937)	601 496
Concession - building	3 513 075	(836 825)	2 676 250	3 513 075	(557 883)	2 955 192
Minor assets	177 147	(85 513)	91 634	297 544	(253 375)	44 169
Work-in-progress	178 334	-	178 334	469 907	-	469 907
TOTAL	**1 017 350 156**	**(465 686 464)**	**551 663 692**	**1 024 286 771**	**(441 540 711)**	**582 746 060**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Assets in kind	Depreciation	Impairment loss	Total
Land	4 487 213	-	-	-	-	-	-	4 487 213
Buildings	384 673 691	439 458	-	400 880	2 628 114	(16 291 783)	(1 586 291)	370 264 069
Furniture and fixtures	5 323 238	501 291	(691 915)	25 000	-	(543 790)	-	4 613 824
Motor vehicles	15 202 924	-	(8 818)	-	-	(1 823 740)	-	13 370 366
Computer equipment	6 160 232	562 350	(495 136)	-	-	(1 199 404)	-	5 028 042
Infrastructure	155 521 738	711 729	(112 353)	97 171	-	(12 352 459)	-	143 865 826
Large and small capital equipment	7 306 260	812 567	(405 967)	63 573	-	(1 222 826)	-	6 553 607
Minor assets	44 169	106 718	-	-	-	(59 253)	-	91 634
Work-in-progress	469 907	333 058	-	(624 631)	-	-	-	178 334
Concession - building*	2 955 192	-	-	-	-	278 942	-	2 676 250
Concession - infrastructures*	601 496	-	-	-	-	(66 969)	-	534 527
	582 746 060	**3 467 171**	**(1 714 189)**	**(38 007)**	**2 628 114**	**(33 839 166)**	**(1 586 291)**	**551 663 692**

***Concession**

- The concession period shall commence on the Commencement date and shall continue thereafter for a period of 15 (fifteen) years (“the Initial Concession Period)
- The Concessionaire has the right to the following
  a. Finance, design, construct and operate the facilities
  b. General, charge and collect revenue from the operation and management of the Facility during the Concession Period; and
  c. Use the Concession Area for the purpose of the project, refer to contract.
- The Concessor requires the Concessionaire to promote on its mandate to uplift tourism and create employment.
- The Concessionaire shall, ensure that the standards, quality and nature of the access roads and control points, in place at the Commencement Date, will remain substantially the same during the Concession Period.
- On the expiry or termination of the agreement and/or the Concession Period for whatever reason and are in place without prejudice to any of the Parties hereto (subject as herein provided):
- The Concession agreement shall cease to have effect, subject to all rights and obligations of the Parties existing prior to such termination;
  e. Such rights as the concession may have over the Concession Area, the Camp and facilities shall terminate
  f. The Concessionaire shall, without payment of any compensation by the Concessor, transfer all of its right, title and interests in the concession Area and facilities to the Concessor in good condition and in accordance with a standard and quality reasonably acceptable to the Concessor, fair.

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Revaluations	Correction Adjustments	Depreciation	Impairment loss	Assets in kind	Total
Land	4 487 213	-	-	-	-	-	-	-	-	4 487 213
Buildings	329 456 011	984 256	-	297 500	77 065 019	5 970 223	(16 369 189)	(12 730 129)	-	384 673 691
Furniture and fixtures	4 516 332	1 321 459	-	-	-	-	(514 553)	-	-	5 323 238
Motor vehicles	16 965 702	-	-	-	-	-	(1 821 380)	-	58 602	15 202 924
Computer equipment	6 216 698	1 329 897	(77 981)	-	-	-	(1 308 382)	-	-	6 160 232
Infrastructure	166 839 328	886 691	-	56 430	-	-	(12 260 711)	-	-	155 521 738
Large and small capital equipment	6 579 747	1 811 797	(11 165)	-	-	-	(1 074 119)	-	-	7 306 260
Minor assets	116 851	69 180	-	-	-	-	(141 862)	-	-	44 169
Work in progress	56 430	1 084 031	-	(670 554)	-	-	-	-	-	469 907
Concession - building	3 234 133	-	-	-	-	-	(278 941)	-	-	2 955 192
Concession - Infrastructures	668 464	-	-	-	-	-	(66 968)	-	-	601 496
	539 136 909	**7 487 311**	**(89 146)**	**(316 624)**	**77 065 019**	**5 970 223**	**(33 836 105**	**(12 730 129)**	**58 602**	**582 746 060**

Description of land

Place	ERF	Rands
Head Office	Portion 14 of the farm riverside 308 JT	3 505 433
Elukwatini	ERF 27 Elukwatini B Ext 1	981 780
Total		**4 487 213**

Revaluations - Buildings

The MTPA has undertook an extensive exercise in March 2020 to identify and value the depreciated cost of the immovable assets and leaseholds improvements. The valuations were performed and the useful lives of the properties were reviewed accordingly.

Fair value estimations were ascertained by determining the estimated replacement cost, based on AECOM published building rates per measured surface area, applicable to Africa. A condition rating, based on physical observation, was applied to the estimated replacement cost to calculate the depreciated replacement cost used as the net replacement value at year end. The effective date of the valuation is 31 March 2020, valid for 5 years until 2025.

7. Intangible assets

	2021			2020 Restated*		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer software	542 875	(488 346)	54 529	542 875	(346 380)	196 495

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	196 495	(141 966)	54 529

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	257 195	56 810	(117 510)	196 495

The MTPA assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

8. Heritage assets

In 2017, the MTPA reviewed its accounting policy for land and a decision was taken to change the accounting policy for conservation land from Property, Plant and Equipment (GRAP 17) to account for it as Heritage Assets under GRAP 103. Hence the below items which met the definition of Heritage Assets, were transferred from Property, Plant and Equipment (GRAP 17) to Heritage Assets (GRAP 103):

	2021			2020 Restated*		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	35 283 207	-	35 283 207	35 283 207	-	35 283 207

Reconciliation of heritage assets - 2021

	Opening balance	Total
Conservation areas	35 283 207	35 283 207

Reconciliation of heritage assets - 2020

	Opening balance	Total
Conservation areas	35 283 207	35 283 207

The MTPA assesses at each reporting date whether there is any indication that the Heritage Assets may be impaired. No such indication existed at the end of the financial reporting period.

Name of the reserve	Hectares	Historical cost
Loskop Dam	22 891	26 866 932
Paardeplaats Nature Reserve	2 426	8 416 275
Totals		**35 283 207**

Heritage assets which fair values cannot be reliably measured

A significant value of the MTPA Heritage assets were obtained through non-exchange transactions from various state owned organisations. For Heritage assets obtained from non-exchange transactions the MTPA attempted to establish the value thereof using guidance from Directive 7 issued by the Accounting Standards Board. Due to the nature of the MTPA activities, the MTPA could not establish neither a fair value /deemed cost nor a replacement cost for its Heritage assets acquired from non-exchange transactions. For that reason, the MTPA Heritage assets acquired from non-exchange transactions could not be recognised in the Annual Financial Statements. However, information pertaining to such assets has been disclosed below.

The MTPA assesses at each reporting date whether there is any indication that the heritage assets may be impaired. No such indication existed at the end of the current financial reporting period

Name of the Nature Reserve	2020	2021
Cynthia Letty Nature Reserve	7	7
Ida Doyer Nature Reserve	32	32
Tinie Louw Nature Reserve	10	10
Thorncroft Nature Reserve	17	17
Swadini Nature Resort	100	100
Vertroosting Nature Reserve	162	162
Mangwazi Nature Reserve	419	419
Sterkspruit 2 Nature Reserve	478	478
Witbad Nature Reserve	565	565
Mahushe Shongwe Nature Reserve	1 140	1 140
Sterkspruit 1 Nature Reserve	1 133	1 133
Little Joker – Formosa Nature Reserve	1 273	1 273
SS Skhosana Nature Reserve	1 816	1 816
Ohrigstad Dam Nature Reserve	2 525	2 525
Barberton Phase 1 Nature Reserve	2 569	2 569
Nooitgedacht Dam Nature Reserve	2 986	2 986
Barberton Phase 2 Nature Reserve	5 415	5 415
Verloren Vallei Nature Reserve	5 989	5 989
Andover Nature Reserve	6 816	6 816
Bushbuck Ridge Nature Reserve	7 094	7 094
Mthethomusha Nature Reserve	7 979	7 979
Mdala Nature Reserve	8 165	8 165
Mabusa Nature Reserve	10 006	10 006
Mkhombo Nature Reserve	11 224	11 224
Barberton Phase 3 Nature Reserve	19 558	19 558
Manyeleti Nature Reserve	22 563	22 563
Blyde River Canyon Nature Reserve	27 290	27 290
Songimvelo Nature Reserve	46 320	46 320
Total	**193 651**	**193 651**

9. Biological assets

Non - Financial information: Quantities

The MTPA performs a scientific calculation or game census every three years on animals that can easily be counted from the air and for specific section of the nature reserves depending on the allocated budget and funding available. The MTPA does not perform counts on small animals, insects, birds and freshwater biodiversity.

Name	Estimated Head Count
Blesbuck	1673
Buffalo "Clean"	390
Bushbuck	85
Bushpig	56
Common Reedbuck	77
Duiker - Grey	106
Eland	245
Elephant	87
Giraffe	162
Grey Rhebuck	136
Hartebeest - red	293
Hippo	41
Impala	827
Klipspringer	17
Kudu	794
M/reedbuck	178
Nyala	129
Oribi	52
Ostrich	21
Sable	53
Springbuck	136
Steenbok	23
Tsessebe	106
Wrathog	148
Waterbuck	245
White rhino	30
Wildebeest - black	484
Wildebeest - blue	605
Zebra	1273

The MTPA's main mandate is to provide for the sustainable management and promotion of tourism and nature conservation in the Mpumalanga Province and to ensure the sustainable utilisation of natural resources. As part of this mandate, the MTPA is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species.

The MTPA does not intervene in ecosystems. The nature reserves are home to different species of animals where all inhabitants of an ecosystem coexist without human interference.

Biological assets consist of wild animals managed for conservation purposes. This management is however not an agricultural activity as the main objective is not to harvest (or produce additional biological assets for harvest) but manage and maintain a specific environment as a whole. Hence, such assets cannot be accounted for using the principles of GRAP 27. Hence, the MTPA has accounted for these assets in accordance with the principles and interpretations of GRAP 17.

Based on the Framework for the Preparation and Presentation of Financial Statements and GRAP 17, these assets meet the definition of an asset but does not meet the recognition criteria relating to reliable measurement. The MTPA cannot reliable measure the values of biological assets, as they are not of a nature that can be easily counted with a level of certainty. Valuations are not easily available as the assets are kept for conservation purposes, and the parks cannot keep up with births, deaths, and migrations of wildlife. As the biological assets cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

The MTPA does not recognise its biodiversity assets as it does not meet the recognition criteria, but only discloses the game census results as additional disclosure for the benefit of users to the Annual Financial Statements.

10. Payables from exchange transactions

Trade payables from exchange transactions	10 142 051	11 981 672
Salary control accounts	2 799 527	2 642 570
Other payables - accruals*	8 425 634	5 806 655
	21 367 212	**20 430 897**

Included in other payables is amount of R4.7m (2020: R4.8m) of bonus provision.

11. Long service awards

Opening balance	951 111	4 125 481
Movements	117 240	(3 174 370)
Closing balance	**1 068 351**	**951 111**
Short term portion	123 178	95 938
Long term portion	945 173	855 173
	1 068 351	**951 111**

The provision relates to a long term and short term portion of amounts due to employees for over 5, 10, 15 and 20 years of service. The obligation will be settled upon completion of each five-year period of employment. The MTPA assumes a staff loss percentage based on the previous year's result (2021: 3.4%) (2020: 3.6%). The average future rate increase is (2021: 3.2%) (2020: 4%).

12. Provisions

Opening balance	1 026 426	832 587
Recognised	(139 661)	380 657
Amount paid during the year	-	(186 818)
	886 765	**1 026 426**

The annual leave pay accrual consists of the valued leave as at reporting date, which accrues in terms of the Basic Conditions of Employments Act. The entity allows its employees to accumulate annual leave to a maximum of one year's allocation of 30 days annual leave per employee. The entity remains liable to pay out an amount equal to the leave balance at the current rate of remuneration.

13. Project liabilities

Community Benefit Sharing (CPA)@	48 722	1 098 722
Mzinti Conservation Fund@	171 494	165 261
Loskop Dam DFFE*	1 790 319	81 201
Mahushe DFFE*	1 635 498	4 231 418
Mthethomusha DFFE*	1 680 357	-
Songimvelo DFFE*	7 995 649	7 791 903
Bushbuckridge DFFE*	1 341 841	1 348 231
Tourism Monitors**	474 486	500 037
Universal Access projects***	8 176 618	7 979 508
Hospitality Youth Training Projects****	10 118 530	13 710 418
Youth Environmental Services (YES)	-	259 425
	33 433 514	**37 166 124**

@ Relates to co-management with claimant communities where settlement and co-management agreements have been concluded.

* Relates to projects funded by external stakeholders (Department of Forestry, Fisheries and Environment DFFE) and the project funds are managed by the MTPA within the project management unit. Projects arise as and when a new project is approved per infrastructure assessment report.

** Funds from National Department of Tourism for tourism monitors learnerships project.

*** Funds from National Department of Tourism to provide accessibility to visitors with disabilities at Blyde.

****Funds from National Department of Tourism for Hospitality Youth Training Projects.

14. Service concession - realisation of concession liabilities

Concession service - liabilities	2 832 338	3 540 423
Service Concessions - short term	(708 085)	(708 085)
	2 124 253	**2 832 338**

15. Contribution from owners

Closing balances from Mpumalanga Tourism Authority and Mpumalanga Parks Board	70 015 412	70 015 412

16. Sales of goods

Nursery	5 232	14 562
Permit sales	1 415 919	2 033 635
Hiking Trails	308 125	4 817 247
	1 729 276	**6 865 444**

17. Rendering of services

Accommodation	1 531 753	3 432 558
Entrance fees	7 309 370	30 795 019
	8 841 123	**34 227 577**

18. Concession fees

Revenue from exchange transactions

Concessions	2 363 143	6 470 908

Concessions are private operators who render tourism services within the MTPA's reserves. The MTPA has a standard framework that governs the handling of private operators. As per the framework, the concessionaire is expected to pay the higher of; i) the minimum concession fee and ii) the variable concession fee for the period

The variable fee percentage varies per concession and is dictated by the concession contract. Concessionaires pays the MTPA a monthly fee as per the contract. At the end of the financial year, using the concessionaire's Audited Annual Financial Statements, the fee applicable to have been as per the above formula is calculated. Where audited Annual Financial Statement were not received, estimates were used.

Where the monthly fee resulted in the concessionaire having exceeded the calculated amount, the MTPA will reimburse the concessionaire. Where the monthly fee resulted in the concessionaire having paid less money during the year, the concessionaire will be billed the difference top-up fee. In both cases, the gross revenue receivable is adjusted accordingly in the Statement of Financial Performance.

19. Other operating income

Rental income	224 976	281 107
Recoveries	282 392	324 451
Wildlife income	206 325	2 190 568
Sundry income	9 462 318	5 997 524
	10 176 011	**8 793 650**

Sundry Income		
Department of Science and Technology (DST) funds	500 000	700 000
SANParks	5 958 450	1 316 645
Inkomati Usuthu Catchment Management Agency (ICMA)	7 750	86 749
Realisation on concession revenue	708 085	708 085
Other income**	2 288 033	3 186 045
	9 462 318	**5 997 524**

**The above, with the exception of other income, represents transactions where the MTPA acts as an agent in a principal agent agreement. The MTPA is compensated directly from the principal, in the form of implementation fees for the services the MTPA provides on behalf of these principals. These represents exchange transactions.

No other revenues, expenses, assets and liabilities arose from the above transactions were recognized in the Statement of Financial Performance and Statement of Financial Position

20. Interest received

Interest received	883 355	2 233 546

21. Revenue from non-exchange transactions

Grant received	352 996 000	361 822 957
Conditional grants		
Conditional grant - Expanded Public Works Programme (EPWP)	2 858 000	2 397 000
SANBI	184 500	-
CATHSETA	143 100	605 256
Assets in kind received	2 628 114	58 602
	5 813 714	**3 060 858**

22. Employee related costs

Basic	215 356 749	210 225 378
Bonus	9 654 190	9 753 457
Medical aid - company contributions	18 239 425	17 639 494
UIF	1 079 062	1 102 927
Skills Development Levy	1 839 396	2 487 658
Provident fund	19 538 473	19 158 374
Group life	16 470 265	13 299 976
Overtime payments	9 526 769	11 323 152
Long-service awards	187 240	41 923
Leave paid and accrual	822 896	380 657
Pension fund (GEPF)	6 305 915	6 403 818
Perfomance Management Development Sytems (PMDS)	-	8 195 264
	299 020 380	**300 012 078**

23. Interest expense

Interest expense	1 716	602

24. Operating expenses

Advertising	58 754	186 214
Animal feed	58 480	2 710
Auditor's remuneration - external audit fees	3 775 145	4 573 374
Auditors remuneration - internal audit fees	1 067 522	1 025 729
Bank charges	328 821	333 206
Board emoluments and travelling allowance	2 535 383	2 961 816
Catering expenses	18 539	185 400
Cleaning and Consumables	1 312 815	1 327 922
Courier and Delivery expenses	710	473
Conference and venue	-	201 348
COVID 19 - Expenses	3 107 048	30 379
Discount allowed	-	432
Loss on disposal of assets	1 713 987	89 145
Gas bottle refill	55 540	148 193
HR related costs	12 545 247	19 092 030
Insurance	14 838	2 898 437
License and registrations	2 562 826	2 120 619
Legal fees	5 209 114	2 256 315
Motor expenses - fuel and oil	2 718 791	5 747 573
Municiipal - Electricity	6 341 377	5 899 557
Municipal - rates and taxes	916 031	1 314 848
Operating lease rentals	2 722 693	1 450 632
Pastel evolution and VIP systems	30 561	507 358
Printing and stationery	358 476	483 572
Programme costs	11 969 480	32 077 941
Provision for bad debts	3 509 220	1 295 617
Expenditure on behalf of partnerships (DST; Goldview; ICMA; SANBI and Cathsseta)	13 103 442	9 429 684
SARS administration fees	170 478	-
Security	11 431 964	8 704 125
Small tools	44 774	60 678
Subscriptions and membership fees	2 862 776	4 336 284
Telephone costs	2 207 066	2 520 262
Travel - accommodation	(10 730)	4 057 244
	92 741 168	**115 319 117**

25. Repairs and Maintenance

Building	59 511	227 011
Offices	142 528	12 845
Computers	558 510	268 093
Equipment	113 706	20 760
Garden & pest control	312 319	69 345
Infrastructure	1 175 329	786 713
Motor expenses	1 336 870	1 680 950
	3 698 773	**3 065 717**

26. Impairment of assets

Property, plant and equipment	1 586 291	12 730 127

27. Cash (used in) generated from operations

Deficit	(48 226 835)	(41 412 047)
Adjustments for:		
Depreciation and amortisation	33 981 129	33 759 346
Loss on disposal of assets	1 713 987	89 145
Provision for leave accrual	(139 661)	193 839
Donation - Service concession assets	(708 085)	(708 085)
Provision for bonus	(72 808)	-
Impairment loss - Building	1 586 291	12 730 127
Stock adjustment	32 949	-
Non cash adjustment	8 067	-
Assets donation	(2 628 113)	(58 602)
Provision for long- term service awards	-	(94 539)
Provision for short- term service awards	187 240	28 963
Changes in working capital:		
Inventories	473 151	(400 322)
Receivables from exchange transactions	3 288 665	1 058 685
Other receivables from non-exchange transactions	594 262	1 917 879
Payables from exchange transactions	936 315	3 635 366
	(8 973 446)	**10 739 755**

28. Statement of contingent liabilities as at 31 March 2021

	Opening Balance 01 April 2020	Liabilities incurred during the year	The estimated financial exposure	Liabilities recoverable (Provide details hereunder	Closing Balance 31 March 2021
Claims against the MTPA					
Grand Valley Estate and 11 others	740 000 000	-	-	-	740 000 000
Inzalo/Boe	-	-	-	-	-
Tintswalo Lodges (Pty) Ltd/ the MTPA - MVS/M461/347070	-	-	1 300 000	-	1 300 000
Tintswalo Lodges (Pty) Ltd / The MTPA and 11 Others - MVS/ M492/ 380821	-	-	1 100 000	-	1 100 000
Wildlife Close -Up (Pty) Ltd / The MTPA - MVS/ M490/ 360138	-	-	1 200 000	-	1 200 000
Hazyview Aerial Cable Trial (Pty) Ltd	-	-	300 000	-	300 000
Alleged cases	-	-	1 199 344	-	1 199 344
	740 000 000	**-**	**5 099 344**	**-**	**745 099 344**

Grand Valley Estates and 11 others

The amount of **R740 million** relates to a Frederick Daniel and 11 others (plaintiffs) versus MTPA and 24 others – Case No: 34502/2010. The total claim by the plaintiff's amount to R1 094 330 740 of which R740 000 000 has been computed as a claim against MTPA in the issued summons. The matter is before the North High Court in Pretoria, which provides uncertainty about the amount claimed until the court makes a ruling.

Inzalo/Boe

There is a civil suit against the MTPA by Inzalo for the cancellation of a head lease at Mthethomusha Nature Reserve (Bongani Lodge). This matter has not pursed for a considerable period. The legal costs for this claim is not known at this stage.

Tintswalo Lodges (pty) Ltd/ the MTPA - MVS/M461/347070

This was an application in the Mpumalanga High Court to stay arbitration proceedings between the Mpumalanga Provincial Government and the Tintswalo Lodges in respect of Tintswalo's concession agreement in the Manyeleti Nature Reserves. The application also sought to have said arbitration proceedings referred to the High Court for trial instead of the proceedings continuing before the arbitrator. The MTPA opposed the application as the third respondent.

Tintswalo Lodges (Pty) Ltd / The MTPA and 11 Others - MVS/ M492/ 380821

This is an application in the Land Claims Court to set aside the recently concluded land settlement agreement in the Manyeleti Nature Reserve. The MTPA is cited as the 8th respondent in the matter.

Wildlife Close-Up (Pty) Ltd / The MTPA - MVS/ M490/ 360138

This was an application in the Mpumalanga High Court for an interdict by the applicant (the holder of a short-term concession agreement with the MTPA at the Manyeleti Nature Reserve in respect of the Ndzhaka and Buffelshoek camps) against the sixth to twelfth respondents.

Hazyview Aerial Cable Trial (Pty) Ltd

MTPA was served with a High Court application under no. 1401/2020 Mpumalanga Division: Mbombela, on 29 July 2020.The dispute between the parties arose within the context of a tender process but the relief sought against the MTPA has been limited to an order interdicting and restraining it from infringing the copyright of the Applicant, together with an enquiry into damages.

Alleged cases

- An employee is claiming a sum of R1 075 398.27 against the MTPA allegedly for breach of his employment contract occasioned by incorrect calculation and/or payment of the disability benefit.
- An employee has sued the MTPA in essence for "equal pay for work of equal value". His cause of action emanates from the job grading and placement of 2010 and 2014. He contends that he should be at level C5 not C3 and thereof should be paid the difference since 2009 with interest as it was done with his peers. The MTPA disputes that he was wrongly placed at C3 and has based its contention in this regard on the outcome of the independently conducted job grading exercise, which informed the placement that took place.
- An employee of the MTPA, declared a labour dispute with the MTPA pertaining to an alleged unfair labour practice of demotion. He eventually took the matter to the CCMA, Mpumalanga (Nelspruit) for adjudication. On 22 December 2020, the CCMA has ruled in his favour ordering the MTPA to pay him an amount of R123 946.35 on or before 31 January 2021; and reinstate him as the Reserve Manager. The MTPA is disputing the amount of R123 946.35.
- The Plaintiff has launched a case at the labour court of South Africa against the MTPA due to his dismissal and arbitration reward awarded against himat the CCMA. This case has not been pursued in a long time.

29. Related parties

The MTPA was established by the Mpumalanga Provincial Government, to promote Mpumalanga as a tourism destination in the local and international markets, as well as, for biodiversity conservation. The MTPA reports directly to the Department of Economic Development and Tourism (DEDT).

Nelspruit Development Trust and Nelspruit Financing Trust are controlled entities as the majority of the trustees are former MTPA board members, there are no related party transactions.

Executive Management and Board Members (refer to note 30) are also considered to be related parties to the MTPA. The Executive Management Committee consist of:

Chief Executive Officer	Mr. Nobunga BJ
Chief Financial Officer	Mr. Vilakazi MH (Appointed 01 October 2020)
Acting Chief Financial Officer	Ms. Baloi N (01 August 2018 to 30 September 2020)
Executive Manager: Corporate Service	Mr. Mahlangu AN
Executive Manager: Biodiversity Conservation	Mr. Mugwabana F
Executive Manager: Tourism	Mr. Mthethwa X (resigned 31 May 2020)
Acting Executive Manager: Tourism	Ms. Buthelezi B
Acting Executive Manager: Tourism	Mr. Mahlangu M
Acting Executive Manager: Tourism	Ms Dlamini S
Executive Manager: Commercialisation	Ms. Qutywa P
Acting Company secretary	Mr. Mogale DC (Appointed 01 February 2021)

Executives Management Committee Remuneration

	Acting Allowance	Salary	Travel and Subsistence	Other benefits***	Total
Chief Executive Officer	-	2 205 890	29 697	24 000	2 259 587
Chief Financial Officer*	-	729 081	9 225	12 000	750 306
Acting Chief Financial Officer#	115 105	-	-	-	115 105
Executive Manager: Corporate Services	-	1 499 998	4 887	24 000	1 528 885
Executive Manager: Biodiversity Conservation	-	1 502 313	57 567	24 000	1 583 880
Executive Manager:Tourism@	-	363 238	-	4 000	367 238
Acting Executive Manager:Tourism**	67 090	-	-	-	67 090
Acting Executive Manager:Tourism@@	61 710	-	-	-	61 710
Acting Executive Manager:Tourism##	20 543	-	-	-	20 543
Executive Manager: Commercialisation	-	1 515 631	7 204	24 000	1 546 835
Acting Company Secretary****	-	198 610	-	-	198 610
	264 448	**8 014 761**	**108 580**	**112 000**	**8 499 789**

Ms Baloi N - Acting from 01 August 2018 to 30 September 2020.

* Mr. Vilakazi MH (Appointed 01 October 2020)

@ Mr Mthethwa X - Contract ended

** Mr Mahlangu MM - Acting from June 2020 to September 2020

@@ Ms Buthelezi B - Acting from October 2020 to February 2021

Ms Dlamini S - Acting from March 2021 to date

*** Other benefits comprises of cellphone allowance

**** Mr Mogale - Appointed 01 February 2021

Related party balances

Amounts included in Trade Payable regarding related parties

Department of Justice	3 357 105	-
	3 357 105	**-**

The balance relate to a claim (Fred Daniel's case) lodged against various Mpumalanga Provincial Government Departments and Public Entities including MTPA amounting to R740 million. The total amount owing to the Department of Justice relating to this case is R3 357 105

29. Related parties

Related party transactions

Grant received	332 996 000	361 822 957
Conditional grant - Expanded Public Works Programme (EPWP)	2 858 000	2 397 000
Grant received - Zithabiseni	25 654 000	25 654 000
Tourism Recovery Plan	10 000 000	-
Covid19 Relief Fund	10 000 000	-
	381 508 000	**389 873 957**

30. Board Members and Executive Management Emoluments Board Members

2021

	Cell phone Allowance	Fees	Travel and Subsistence	Total
Mr. Nzima TJ (Chairperson)*	9 000	442 918	11 507	463 425
Ms. Shabangu-Mndawe NR (Deputy Chairperson)*	9 000	267 531	4 824	281 355
Ms. Mzuzu NB*	9 000	185 892	6 951	201 843
Ms. Nkambule TB*	9 000	116 305	68	125 373
Mr. Gololo CL*	9 000	134 004	5 481	148 485
Mr. Mthombeni SG*	9 000	144 632	4 677	158 309
Ms. Makhathini SFS*	9 000	155 156	191	164 347
Ms. Sekhitla JS*	9 000	137 599	12 718	159 317
Dr. Magome DT*	9 000	202 350	20 007	231 357
Mr. Keetse TF*	9 000	225 250	23 291	257 541
Ms. Maseko M	6 000	21 190	-	27 190
Dr Mabunda	6 000	14 120	-	20 120
	102 000	**2 046 947**	**89 715**	**2 238 662**

2020

	Cellphone Allowance	Fees	Travel and Subsistence	Total
Mr. Nzima TJ (Chairperson)*	11 000	612 244	64 887	688 131
Ms. Shabangu-Mndawe NR (Deputy Chairperson)*	11 000	355 259	18 692	281 355
Ms. Mzuzu NB*	11 000	205 244	14 857	231 101
Ms. Nkambule TB*	11 000	127 420	11 035	149 455
Mr. Gololo CL*	11 000	159 240	13 511	183 751
Mr. Mthombeni SG*	11 000	120 608	65 905	197 513
Ms. Makhathini SFS*	11 000	74 387	8 828	94 215
Ms. Sekhitla JS*	11 000	153 104	21 535	185 639
Dr. Magome DT*	11 000	170 121	72 081	253 202
Mr. Keetse TF*	11 000	203 828	48 874	263 702
Ms. Maseko M	11 000	61 095	3 286	75 381
Mr. Venter F	11 000	28 450	13 757	53 207
	132 000	**2 271 000**	**357 248**	**2 656 652**

Audit Committee

2021

	Cellphone Allowance	Fees	Total
Ms Mvulane P (Chairperson)	9 000	156 950	165 950
Mr. Mthembu S	9 000	77 560	86 560
Mr. Zakwe M	9 000	35 210	44 210
	27 000	**269 720**	**296 720**

2020

	Cellphone Allowance	Fees	Travel and Subsistence	Total
Ms Mvulane P (Chairperson)	11 000	88 993	2 314	102 307
Mr. Mthembu S	11 000	63 741	1 394	76 135
Mr. Zakwe M	11 000	11 601	526	23 127
	33 000	**164 335**	**4 234**	**201 569**

Total Board Emoluments

Total board emoluments	2 238 662	2 760 248
Total audit committee remuneration	296 720	201 569
Travel and accommodation	89 741	2 319 202
	2 625 123	**5 281 019**

Executive Management Committee Remuneration

2021

	Acting Allowance	Salary	Travel and Subsistence	Other benefits***	Total
Chief Executive Officer	-	2 205 890	29 697	24 000	2 259 587
Chief Financial Officer*	-	729 081	9 225	12 000	750 306
Acting Chief Financial Officer#	115 105	-	-	-	115 105
Executive Manager: Corporate Services	-	1 499 998	4 887	24 000	1 528 885
Executive Manager: Biodiversity Conservation	-	1 502 313	57 567	24 000	1 583 880
Executive Manager:Tourism@	-	363 238	-	4 000	367 238
Acting Executive Manager:Tourism**	67 090	-	-	-	67 090
Acting Executive Manager:Tourism@@	61 710	-	-	-	61 710
Acting Executive Manager:Tourism##	20 543	-	-	-	20 543
Executive Manager: Commercialisation	-	1 515 631	7 204	24 000	1 546 835
Acting Company Secretary	-	198 610	-	-	198 610
	264 448	**8 014 761**	**108 580**	**112 000**	**8 499 789**

Ms Baloi N - Acting from 01 August 2018 to 30 September 2020.
*   Mr. Vilakazi MH - Appointed 01 October 2020
@   Mr Mthethwa X - Contract ended 31 May 2020
**   Mr Mahlangu MM - Acting from June 2020 to September 2020
@@ Ms Buthelezi B - Acting from October 2020 to February 2021
Ms Dlamini S - Acting from March 2021 to date
***   Other benefits comprises of cellphone allowance
**** 0Mr Mogale DC - Appointed 01 February 2021

2020

	Acting Allowance	Salary	Travel and Subsistence	Other benefits****	Total
Chief Executive Officer	-	2 133 201	109 813	24 000	2 267 014
Chief Financial Officer**	-	620 451	-	10 000	630 451
Acting Chief Financial Officer*	178 871	-	-	-	178 871
Executive Manager: Corporate Services	-	1 484 152	60 545	24 000	1 568 697
Executive Manager: Biodiversity Conservation@	-	1 494 299	119 527	24 000	1 637 826
Executive Manager: Commercialisation	-	375 512	-	-	375 512
Executive Manager: Tourism	-	1 490 524	62 402	24 000	1 576 926
Acting Executive Manager: Commercialisation@@	202 616	-	-	-	202 616
Company Secretary	-	320 372	-	1 500	321 872
Acting Company Secretary	28 122	-	-	-	28 122
	409 609	**7 918 511**	**352 287**	**107 500**	**8 787 907**

*   Chief Financial Officer was seconded to DEDT from 01 July 2017 and resigned 31 August 2019.
**   Discharged on the 01 June 2019.
#   Ms Baloi N Acting from 01 August 2018 to date.
@@ Acting Executive Commercialisation appointed 01 August 2018 to December 2019.
@@@ Appointed in 01 January 2020.
***   Mr B Malaza Acting from 24 July 2019 to 29 February 2020
**** Other benefits comprises of cellphone allowance

31. Risk management

Financial risk management

The MTPA’s activities expose itself to a variety of financial risks: market risk (including, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The MTPA has an approved risk management framework and has implemented a risk management register to mitigate identified risks.

The MTPA's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the MTPA’s financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management and policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment

Liquidity risk

The MTPA's is exposed to liquidity risk as a result of the funds available to cover future commitments. The MTPA manages liquidity risk through an ongoing review of future commitments. The MTPA manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Cash flow forecasts are prepared and are monitored.

The table below analyses the MTPA’s financial liabilities into relevant maturity groups based on the remaining period at the date of the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions and payables from non-exchange transactions	21 367 212	-	-	-
Payables for long service awards	123 178	-	-	945 173
Trade and other payables	886 765	-	-	-
Service concession liabilities	-	-	-	2 124 253
	22 377 155	**-**	**-**	**3 069 426**

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions and payables from non-exchange transactions	20 430 897	-	-	-
Payables for long service awards	95 938	-	-	855 172
Trade and other payables	1 026 426	-	-	-
Service concession liabilities	-	-	-	2 832 338
	21 553 261	**-**	**-**	**3 687 510**

Credit risk

The company is exposed to credit risk on financial assets, mainly attributable to cash deposits, cash equivalents and trade debtors.

The financial assets carried at cost exposes the entity to credit risk. The values of the maximum exposure to credit risk are as follows for each class of financial asset at cost.

Financial assets exposed to credit risk at year ended 31 March 2021 were as follows:

Financial instrument	2021	2020
Receivable from exchange transactions	8 299 302	9 379 836
Cash and cash equivalents	52 377 318	68 550 545

Ageing of Debtors at the reporting date:

Account	Balance as at 31 March 2021 Rand	Impairment	Balance as at 31 March 2020 Rand
0 - 30 days	1 297 792	-	4 871 776
30 - 60 days	159 480	-	695 000
60 - 90 < days	217 031	-	141 323
90 - 120 days	107 836	-	166 698
> 120 days	6 517 163	(6 517 163)	3 505 039
	8 299 302	**(6 517 163)**	**9 379 836**

Market risk

Market risk is the risk that changes in certain market prices, such as interest rates, will affect the MTPA's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

As the MTPA has no significant variable interest-bearing assets, the MTPA's income and operating cash flows are substantially independent of changes in market interest rates.

Concentration risk

The MTPA has a concentration of risk, with regards to DEDT, which provides the MTPA with a conditional grant to the value of R355 854 000 which makes up 84 % of total revenue

32. Fruitless and wasteful expenditure

Opening balance as previously reported	3 978 633	3 275 754
Interest expense on outstanding accounts*	1 716	602
CFO's salary**	-	630 451
Travel arrangement not honored***	-	71 826
Less: Amount written off - prior period****	(820 891)	-
Closing balance	**3 159 458**	**3 978 633**

* Interest charged by suppliers due to late payments on their account in respect of the financial year audit as a result of unavailability of funds to pay the full outstanding amount

** Chief Financial Officer was seconded to DEDT from 01 July 2017 to 31 August 2019. The entity had an acting CFO that held the same position whilst the CFO was seconded to the Department.

*** Travel arrangement not honored due to Visa application not approved timeously, written off and approved.

**** The amount of R820 891 was approved by the board as written off.

33. Commitments under operating leases

The MTPA rents various photocopier machines from Ricoh as well as an administrative building from Primkop Airport Management (Pty) Ltd.

Minimum lease payments under operating leases recognised as an expense during the year	1 340 521	4 767 680

Operating leases office rental and equipment		
- payables within 1 year	1 133 066	2 106 275
- payables between 2 and 5 years	276 656	1 402 198
	1 409 722	**3 508 473**

A new contract was entered into with Primkop Airport for a period of two years ending 31 December 2022. A new contract was entered into with Ricoh for the rental of photocopier machines for a period of three years ending on the 30 September 2021, after the contract of Nashua Lowveld expired. The Ricoh contract has no escalation applicable in the duration of the contract. The contract has an option to be renewed. There were no defaults or breaches of the contractual terms of the leases during the financial year.

None of the trade and other receivables have been pledged as security for liabilities or contingent liabilities.

34. Commitments

Capital expenditure		
● Approved and Contracted	533 778	2 664 609
Operational expenditure		
● Approved and contracted	23 631 791	22 663 790

Commitments represents contractual obligations for goods and services as at 31 March 2021. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance. These are merely disclosed in this note.

35. Irregular expenditure

Opening balance as previously reported	63 302 752	46 522 787
Add: Irregular Expenditure current year	14 835 836	16 779 965
Closing balance	**78 138 588**	**63 302 752**

Analysis of closing balance		
Current year	14 835 836	16 779 965
Prior years	63 302 752	46 522 787
	78 138 588	**63 302 752**

The irregular expenditure incurred during 2017/18; 2018/19 and 2019/20 were investigated. The investigation reports were received.

The MTPA is in a process of implementing the recommendations and application for condonation of the contraventions.

Details of Irregular Expenditure in the current period

Due to SCM non compliance	1 764 777	5 192 940
SCM procurement process not followed	132 847	3 475 901
Service rendered without a Purchase Order	-	132 250
Expenditure exceeded contractual value	250 212	1 242 571
Contracts on a month to month	12 688 000	6 736 303
	14 835 836	**16 779 965**

36. COVID-19 response expenditure

Compensation of employees	-	-
Goods and services	3 107 048	30 379
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Other	-	-
	3 107 048	**30 379**

The Covid-19 pandemic and the related declaration of a national disaster, lockdown and associated negative economic effects has raised significant uncertainty in regard to future transactions. Management has made judgements and estimates and determined risks with regard to the impact on its going concern based on estimates and information available to it up to the date of issue of the Financial Statements.

37. Retirement benefit obligations

Defined contribution plan

The MTPA is a participating employer in the Government Employees Pension Fund (GEPF). The MTPA became a participative employer in 2006 with the inception of the MTPA as a result of employees that were transferred from Government departments, i.e. DALA and Limpopo Province to the MTPA. The employer's contribution paid is 13% as this was the percentage employer contribution that was paid by these Government departments upon transfer of these employees to the MTPA.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the MTPA's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The entity accounts for this defined benefit state plan as a defined contribution plan, as there is no consistent and reliable basis for allocating the obligation, plan assets and costs to the individual employers to actuarial risks associated with the current and former employees of other employers participating in the plan.

MTPA GEPF Fund	6 305 915	6 403 818

38. Prior period errors

During 2021 the Entity discovered the following

- Prepaid Subscription fees for 2021 had been erroneously recorded in its financial statements for 2020. As a consequence subscription fees have been overstated and the related asset have been understated as it should have been recorded as a pre-payment.
- Motor Expenses for 2019 was not yet recorded in its financial statement. As a consequence Motor Maintenance expense and Creditors was understated, and Sundry income was overstated with the payment received for the difference between final service fee and payment made.
- Tourism Branding activities for 2019 was not yet recorded in its financial statement. As a consequence Tourism Branding expenses and Creditors was understated.
- Correction of 2018/2019 concession variables calculations.
- Revenue transactions for permits, Entrance fees and Recoveries were recorded in the incorrect financial year. As a consequence Revenue and Receivables was understated.
- Legal fees relating to the Barberton Mines Road building not recorded in the 2020 Annual Financial statements for Richard Spoor. Accordingly legal expenses and Creditors were understated.
- Correction on work-in-progress.
- The errors have been corrected by restating each of the effected financial statement line items for prior periods. The following tables summarise the impacts on the Entities financial statement.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Decrease in receivables from exchange transactions	-	420 350
Decrease in PPE	-	1 932
Decrease in payables from exchange transactions	-	92 436
Decrease in deficit for the year	-	98 288
Long term - Concession liabilities	-	(708 085)
Short term - Concession liabilities	-	708 085
Decrease in accumulated deficit	-	432 515
Increase in payables from exchange transaction	-	(3 795)
Decrease in Work in progress	-	316 624
Net effect on the retained earnings	**-**	**1 358 350**
Statement of financial performance		
Increase in Revenue from exchange transactions	-	9 185
Decrease in expenditure	-	89 103
Net effect on the retained earnings	**-**	**98 288**

39. Going concern

The MTPA is solvent and liquid. As a going concern, its total assets exceeds its total liabilities and its current assets exceeds its current liabilities. The MTPA's net asset value of R585 057 975 (**Restated 2020:** R633 284 814) and net current asset value of R1 125 973 **(Restated 2020:** R18 746 562).

The MTPA's operations are financed through the grant received from the Department of Economic Development and Tourism ("the Department"). The grant allocation for the 2020/21 financial year has decreased from R476.5 million to R389.5 million, which is made up of R368 million in grant funding and Expanded Public Works Programme (EPWP) of R2.8 million. Over and above this, the Entity continues to receive support from the Department of Forestry, Fisheries and Environment (DFFE) and the National Department of Tourism (NDT) on special projects. These projects will benefit the MTPA in that the infrastructure upgrades will continue as planned to ensure an improved condition to some of the infrastructure.

40. Events after the reporting date

The MTPA employees who are members of the National Education, Health and Allied Workers Union (NEHAWU) embarked on an industrial action from the 6th of April to 23rd of April 2021. The industrial action brought limitations of access to the offices, disturbing reporting of the fourth quarter performance and financial information.

The MTPA Management has determined that these events are non-adjusting events. The financial position and results of operations for the year ended 31 March 2021 have not been adjusted to reflect their impact.

PART F

Group Financial Statements

Swazi Cultural Dance Group

INDEX

THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE GROUP ANNUAL FINANCIAL STATEMENTS PRESENTED TO THE STAKEHOLDERS:

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL FINANCIAL STATEMENTS

The Board is aware of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to the following:

- Establishing and maintaining an effective, efficient and transparent systems of financial and risk management, and internal controls;
- Managing, including the safe guarding of assets and the management of the revenue, expenditure and liabilities of the Group;
- Taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the Group;
- Taking effective and appropriate disciplinary steps against any employee(s) of the Group who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of the Group; or makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;
- Keeping full and proper records of the financial affairs of the Group; and
- Preparation of Group Annual Financial Statements for each financial year, in accordance with GRAP.

The Board confirms that it has discharged all the above stated responsibilities during the financial year ended 31 March 2021. The Board further confirms the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements.
- The report is complete, accurate and free of omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury and the Annual Financial Statements were prepared in accordance with the PFMA and Generally Recognised Accounting Practice (GRAP).
- The Going Concern basis has been adopted in preparing the Annual Financial Statements. The Board, after having reviewed management's assessment of the Group's ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the Annual Report.

The AGSA is responsible for expressing an independent opinion on the Annual Financial Statements of the Group.

In the Board's opinion, the Annual Report and Financial Statements fairly presents in all material respects, the state of affairs of the Group, its business, its financial results and its performance against predetermined objectives for the year ended 31 March 2021 and its financial position as at 31 March 2021.

Mr. T.J. Nzima
Chairperson of the Group Interim Board

Mr. B.J. Nobunga
Chief Executive Officer

GROUP REPORT OF ACCOUNTING AUTHORITY

1. Background

The Group is a juristic person established in terms of the MTPA Act (Act 5 of 2005) and is registered as a Schedule 3C Public Entity in terms of the PFMA Act (Act 1 of 1999). The Group's main shareholder is the Department of Economic Development and Tourism (hereinafter "DEDT") from which it receives its funding.

2. Review of activities

The operating results and state of affairs of the Group are fully set out in the attached Annual Financial Statements

Financial Performance	2021	2020 Restated*
Grant received	352 996 000	361 822 957
Conditional grant - Expanded Public Works Programme	2 858 000	2 397 000
Zithabiseni	25 654 000	25 654 000
(Deficit)	(50 573 102)	(43 568 616)
Total assets	685 702 299	741 839 133
Total liabilities	61 921 274	67 485 007

3. Going concern

The Group is solvent and liquid. As a going concern, its total assets exceeds its total liabilities and its current assets exceeds its current liabilities. The Group's net asset value of R623 781 025 (**Restated 2020:** R674 354 126) and net current asset value of R167 646 **(Restated 2020:** R17 377 520).

The Group's Managing Authority is the Department of Economic Development and Tourism ("the Department"). The Group's operations are financed by the grant received from the Department. The grant accounts for about 82% of the Group's revenue. Thus, continued support from the Department is instrumental in the Group's ability continue operations.

The Covid-19 pandemic and the related declaration of a national disaster, lockdown and associated negative economic effects has raised significant uncertainty in regard to future transactions. Management has made judgements and estimates and determined risks with regard to the impact on its going concern based on estimates and information available to it up to the date of issue of the Financial Statements.

4. Irregular expenditure

Irregular expenditure amounting to R14 835 836 (**2020:** R16 779 965) was identified during the year under review. The details of these are disclosed under Note 36: of the irregular expenditure of R16 779 965 incurred in the prior year, the investigation was concluded. During the current financial year, the Group conducted an investigation for irregular expenditure incurred in the 2017/2018; 2018/2019 and 2019/2020 financial year. Adjustments made to the balance of irregular expenditure is in line with the reports.

5. Fruitless and wasteful expenditure

The fruitless and wasteful expenditure amounting to R1 716 (**2020:** R702 879) was identified during the year. The details of these are disclosed under Note 34: Fruitless and Wasteful Expenditure of R820 891 was condoned by the Accounting Authority. In the current financial year, the Group conducted an investigation for fruitless and wasteful expenditure incurred in the 2017/2018 and 2018/2019 financial year.

6. Event after the reporting date

The Group employees who are members of the National Education, Health and Allied Workers Union (NEHAWU) embarked on an industrial action from the 6th of April to 23rd of April 2021. The industrial action brought limitations of access to the offices, disturbing reporting of the fourth quarter performance and financial information.
Management has determined that these events are non-adjusting events. The financial position and results of operations for the year ended 31 March 2021 have not been adjusted to reflect their impact.

7. Accounting Authority in the office during the reporting period

Mr. Nzima TJ (Chairperson)
Ms. Shabangu-Mndawe NR (Deputy Chairperson)
Ms. Mzuzu NB
Ms. Nkambule TB
Mr. Gololo CL*
Mr. Mthombeni SG
Ms. Makhathini SFS
Ms. Sekhitla JS
Dr. Magome DT
Mr. Keetse TF

Co-opted Committee Members

Ms. Maseko MA
Dr. Venter FJ

Ex officio Board Members

Mr. Mdluli L (Shareholder representative)
Mr. Nobunga BJ (Chief Executive Officer)

8. Annual Financial Statements

The Annual Financial Statement and the Annual Performance Report are for the Group, Nelspruit Development Trust, Nelspruit Financing Trust and Zithabiseni Resort and Conference Centre excluding the main entity (MTPA); and is for the financial year ended 31 March 2021.

9. Conclusion

Other than the above, there is nothing that the group Board wishes to draw attention to that has not already been highlighted elsewhere in the Group Annual Financial Statements.

Mr. T.J. Nzima
Chairperson of the MTPA Interim Board

Mr. B.J. Nobunga
Chief Executive Officer

REPORT OF THE AUDIT AND RISK COMMITEE

We are pleased to present our report for the financial year ended 31 March 2021. Through the Audit and Risk Committee Charter, the Audit and Risk Committee has adopted appropriate formal terms of reference and has regulated its affairs in compliance with this charter. Accordingly, the committee has discharged its responsibilities as contained therein in the year under review. The fundamental role of the Audit and Risk Committee (ARC) is to assist the Board in effecting its oversight responsibilities in the areas of internal and external audit, internal controls, financial and performance information reporting. The financial year was encompassed by its own challenges, and the pandemic was no exception to the entity.

The Covid-19 pandemic and extended lockdown continued to have a significant impact on the normal operations of the entity, due to budget reprioritisation and the achievement of its key objectives. In response to this, Management revised their annual performance plans for the financial year, expanded its risk strategy and framework to specifically mitigate the impact of Covid-19 pandemic. Internal controls impacted by the pandemic have been assessed, monitored and amended where relevant.

Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. The Committee met on 11 occasions – 4 Ordinary Audit Committee meetings and 7 Special Audit Committee meetings. 3 of the Special Audit Committee meetings dealt with the annual financial statements and annual performance report (unaudited and audited); and the remaining 4 dealt with the review of 2020/21 Annual Performance Plan, Risk Management and Governance reports.

Name	Role	Attended
Ms. PMK Mvulane: Chairperson (1 August 2016)	Chairperson	11
Mr. MS Mthembu (01 April 2013)	External Member	11
Ms. SFS Makhathini (01 April 2016)	Board Member	08
Ms. BN Mzuzu (23 March 2017)**	Board Member	06
Mr. ME Zakwe (1 September 2017)	External Member	4
Mr. SG Mthombeni (01 April 2016)*	Board Member	2

* member from 25 January 2021

** term ended 31 December 2020 ‘

Audit and Risk Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 51 (1) (ii), Section 76 (4) (d) of the Public Finance Management Act 1 of 1999 and Treasury Regulations 27.1.

The Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged its responsibilities as contained therein. The charter is reviewed annually and adopted by the committee on approval by the Accounting Authority.

Key focus areas

During the year under review, the Committee continued in its quest to ensure that the requisite risk management culture, practices, policies resources, and systems are in place and are functioning effectively.

The Committee is satisfied with the notable improvements in the following areas:

a) The appointment of the CFO, which brought about the stability in the finance function and reporting; the submission of the annual financial statements and performance report;
b) The appointment of the Risk Management Chairperson, which further brought alignment and improvement in addressing the root causes; risk management reporting across the business units within the entity and provides regular feedback to the Committee; and
c) Improvement of ICT with limited resources especially noting the fact that this was during the pandemic

Internal Audit

The Committee monitored the work of Internal Audit against the approved Internal Audit Plan throughout the financial year. The Committee further ensured that the Internal Audit reports and conclusions thereof were based on independent reviews and in compliance with the stipulations of the approved Audit Committee Charter. The internal audit function was co-sourced and operational for the financial year under review to maximise its coverage of the risk exposures facing the Agency, even though there were budget constraints. In collaboration with Monitoring and Evaluation and Internal Audit, Management succeeded in improving controls.

Efforts to supplement the capacity of the Internal Audit Activity ("IIA") have been noted by the Committee, and will continue to be monitored.

The Committee reviewed the internal audit reports; where there were control weaknesses identified within the Agency the Committee considered the adequacy of management responses, to ensure the risk exposure is reduced and there is continuous improvement within the control environment. The management corrective actions were not always adequate to deal with the system or processes.

The Committee reviewed and is satisfied with the effectiveness of the internal audit function taking into account the available budget for the internal audit unit.

The reports of the Audit and Risk Committee were recommended to the Accounting Authority for adoption.

Risk Management

The Audit and Risk Committee is responsible for oversight of the institution's control, governance and risk management. Furthermore, the Audit and Risk Committee provides the Board with independent counsel, advice and direction in respect of risk management and thus the stakeholders rely on the Committee for an independent and objective view of the institution's risk management processes. As a result, the Committee provides the oversight required to ensure that stakeholder interests are protected. The committee is satisfied with the effectiveness of its oversight of the governance of risk and this was attested to by Management's engagement on risk management processes and utilising this as a management tool.

The Risk Management Committee has adopted formal approved terms of reference as contained in the Risk Management Committee Charter, and regulates its affairs and discharges all its responsibilities in compliance with this approved Charter. The Risk Management Committee provided the Audit and Risk Committee with quarterly progress reports which were evaluated and recommended to the Accounting Authority for adoption. The Audit and Risk Committee, through its scrutiny of all submitted risk management reports, monitored and advised on risk mitigation.
Effectiveness of Internal Controls

The Audit and Risk Committee provided oversight on programmes of the Agency in line with applicable provisions of the PFMA, the Treasury Regulations and its approved Audit and Risk Committee Charter. This was achieved through the assurance reviews conducted by Internal Audit as well as the assurance reviews by the Auditor-General of South Africa (AGSA) in line with the approved coverage plans, respectively. The collaboration of the Internal Audit; Monitoring and Evaluation functions; and the Management commitment thereby using internal audit and risk management as a tool to improve controls played a role in the improved control environment of the entity. The Committee satisfied that the entity's system of internal controls do exist and appreciates the recorded improvement of their effectiveness, which forms a basis for the preparation of reliable annual financial statements and performance report. The Committee also noted the reduction in previous reported deficiencies in internal controls from prior years.

The following internal audit work was completed during the year under review:

- Completing the review of Internal Audit Strategic and Annual Operational Plan;
- Review of the Board Audit &Risk Committee; Internal Audit; and the Risk Management Committee Charters;
- Risk Assessment Attendance and review of Risk Assessment Reports;
- Audit of Pre-Determined Objectives (quarterly audits);
- External Audit Readiness - Annual Financial Statements and Performance Information Review;
- Finance: Revenue Management, Supply Chain Management including Irregular expenditure; Asset Management wherein focused was on the asset valuation vs. cost model);

- Executive Office: Project Management audit;
- Corporate services: ICT, and Occupational Health and Safety Audits;
- Follow-up audits – previous internal audits;
- Follow-up audits – previous external audits findings; and
- Internal Control Assessment.

In-Year Management and Quarterly Reporting

The committee determined that the administration of quarterly reports submitted in terms of the PFMA and Division of Revenue Act were partly adequate according to internal audit results and management assurances.
Evaluation of Financial Statements

The Audit and Risk Committee has:

- Evaluated the audited annual financial statements for the consistent application of accounting policies and practices; and reviewed the changes in accounting policies and practices
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- Considered the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Entity for the year ended 31 March 2021 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the annual financial statements for abnormal and/or significant transactions of the agency and the disclosure thereof;
- Sought explanations for and evaluated all significant variances in the annual financial statements as compared to the prior year;
- Evaluated the clarity and completeness of disclosure and whether disclosures made have been set properly in context; and
- Evaluated write-offs and the levels of general and specific provisions.

Evaluation of reporting on pre-determined objectives

The Audit and risk Committee has to the extent possible:

- Reviewed the alignment of performance reporting to the annual performance plan;
- Reviewed the consistency of quarterly reporting to the annual report; and
- Noted the Internal Audit findings on whether the performance reported is in agreement with portfolio of evidence.

Auditor General South Africa

The committee is satisfied that the Auditor General South Africa as external auditor is independent and the committee determined that the Auditor General South Africa did not provide non-audit services during the year.
The committee has reviewed the entity's implementation plan for audit issues raised in the previous years and we are satisfied that 90% of the matters have been adequately resolved. We will monitor the remainder of matters that still need attention.

The Audit and Risk Committee concurs with the Auditor General South Africa's conclusions on the annual financial statements and pre-determined objectives and noted the improved audit outcome to an unqualified audit opinion with findings.

Future areas of focus

- Continue to monitor closely risk trends or new emerging risks and Management's response.
- Provide oversight on the Implementation of the Risk Strategy and Risk Management Plan in line with the Risk tolerance framework.
- Continue focus on ensuring that financial and non-financial systems, processes and internal controls are operating effectively

General

The Audit and Risk Committee strongly recommends that the entity must continue to prioritise the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external auditors together with all other recommendations made by the Audit and Risk Committee in order to achieve the required effectiveness in governance, accountability and clean administration.

Ms. Precious Mvulane
Chairperson of the Audit and Risk Committee

Report of the auditor-general to the Mpumalanga Provincial Legislature on the Mpumalanga Tourism and Parks Agency

Report on the audit of the consolidated financial statements

Opinion

1. I have audited the consolidated financial statements of the Mpumalanga Tourism and Parks Agency and its subsidiaries the group set out on pages 185 to 237, which comprise the consolidated statement of financial position as at 31 March 2021, the consolidated statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Property, plant and equipment

3. The subsidiary did not value assets in accordance with GRAP 17, *Property, plant and equipment*. The group accounting policy requires assets to be revalued, but the abovementioned assets were not revalued in the current and prior year. The impact of this misstatement on property, plant and equipment was impracticable to determine. Furthermore, the subsidiary also did not perform an impairment evaluation of assets that are not in good working condition, and the useful life and residual values of assets with zero values were not assessed at each reporting date. As a result, assets had a zero net carrying amount while still being in use, which resulted in a misstatement on property, plant and equipment that was impracticable to determine.

4. I was also unable to obtain sufficient appropriate audit evidence that the buildings of the subsidiary, Zithabiseni Resort and Conference Centre (Proprietary) Limited, were owned by the subsidiary. I was unable to confirm the right of use to the properties and the ownership of the properties by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property, plant and equipment, stated at R591,35 million (2019:20 R625,18 million) in note 6 to the consolidated financial statements.

Context for the opinion

5. 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 consolidated financial statements section of my report.

6. I am independent of the group 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.

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

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 40 to the consolidated financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the consolidated financial statements of the group at, and for the year ended, 31 March 2021.

Uncertainty relating to the future outcome of exceptional litigation

10. With reference to note 30 to the consolidated financial statements, the parent entity is the defendant in a lawsuit of R740 million. The matter is currently before the North High Court in Pretoria. An uncertainty about the amount claimed exists until the court has made a ruling. 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.

Events after the reporting date

11. I draw attention to note 42 to the consolidated financial statements, which deals with events after the reporting date. The parent entity's employees embarked on an industrial action from 6 April 2021 to 23 April 2021. The industrial action limited access to the offices, disrupting reporting on the fourth-quarter performance and financial information. Management has determined that these events are non-adjusting.

Impairments – trade debtors

12. As disclosed in note 3 to the consolidated financial statements, the group incurred material losses of R6,52 million as a result of a provision for the impairment of debtors.

Responsibilities of the accounting authority for the consolidated financial statements

13. The accounting authority is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the consolidated financial statements, the accounting authority is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

16. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit 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 selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the group'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 group 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.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the group's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 5 : biodiversity conservation	53 – 61

20. 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.

21. The material findings on the usefulness and reliability of the performance information of the selected programmes are as follows:

Programme 5 – biodiversity conservation

Percentage compliance to the number of administrative enforcement notices issued for non-compliance with environmental legislation

22. An achievement of 70% compliance with 330 administrative enforcement notices issued for non-compliance with environmental legislation by 31 March 2021 was reported in the annual performance report against the target of 70% compliance with 45 administrative enforcement notices issued for non-compliance with environmental legislation. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence to substantiate the reported achievement. This was due to a lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on pages 22 to 67 for information on the achievement of planned targets for the year and management's explanations provided for the under- or over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 of this report.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the selected programme. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements

28. The financial statements of the parent entity submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the parent entity's financial statements receiving an unqualified audit opinion.

Procurement and contract management

29. Some invitations for competitive bidding were not advertised for the required minimum period, as required by treasury regulation 16A6.3(c).

30. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d).

31. Some bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by 2017 preferential procurement regulation 8(2).

32. In some instances, the prices of personal protective equipment items were higher than the prescribed prices listed in annexure A of National Treasury Instruction Note 5 of 2020-21, in contravention of paragraph 4.3 of the same instruction note.

33. In some instances, the suppliers of personal protective equipment items were not registered with the Department of Small Business Development, as required by paragraph 4.6(d) of National Treasury Instruction Note 5 of 2020-21.

Expenditure management

34. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R14,84 million, as disclosed in note 36 to the consolidated financial statements, as required by section 51(1)(b)(ii) of the PFMA. Most of the irregular expenditure was caused by contract extensions that were not properly approved.

Consequence management

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

36. 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 programmes presented in the annual performance report that have been specifically reported in this auditor's report.

37. 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.

38. 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 consolidated financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

39. The other information I obtained prior to the date of this auditor's report is the general information of the group and the report of the accounting authority. The foreword by the chairperson of the board is expected to be made available to me after 31 August 2021.

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

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

Internal control deficiencies

42. I considered internal control relevant to my audit of the consolidated 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 the annual performance report and the findings on compliance with legislation included in this report.

43. Leadership did not ensure that adequate oversight responsibility was exercised regarding financial and performance reporting and compliance, as well as related internal controls.

44. Non-compliance with legislation could have been prevented if compliance had been properly reviewed and monitored.

Auditor - General

Mbombela
03 September 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Consolidated Financial statements

45. In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated 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 group's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Mpumalanga Tourism and Parks Agency and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a group to cease operating as a going concern

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

46. 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.

47. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with 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.

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	2	1 326 914	1 831 821
Receivables from exchange transactions	3	2 922 252	8 303 835
Receivables from non-exchange transactions	4	2 103 890	2 088 950
Cash and cash equivalents	5	52 666 438	68 950 411
		59 019 494	**81 175 017**
Non-Current Assets			
Property, plant and equipment	6	591 345 069	625 184 414
Intangible assets	7	54 529	196 495
Heritage assets	8	35 283 207	35 283 207
		626 682 805	**660 664 116**
Total Assets		**685 702 299**	**741 839 133**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	23 700 307	24 790 635
Long service awards - short term portion	11	123 178	95 938
Provision	12	886 765	1 026 426
Project liabilities	13	33 433 513	37 166 124
Service concession liabilities - short term portion	14	708 085	708 085
Short term funding facility	5	-	10 289
		58 851 848	**63 797 497**
Non-Current Liabilities			
Long service awards	11	945 173	855 172
Service concession - realisation of concession liabilities	14	2 124 253	2 832 338
		3 069 426	**3 687 510**
Total Liabilities		**61 921 274**	**67 485 007**
Contribution from owners	15	70 197 729	70 197 729
Reserves			
Revaluation reserve		463 390 273	478 580 084
Accumulated deficits		90 193 023	125 576 313
		623 781 025	674 354 126
Total Liabilities		61 921 274	67 485 007
Total net assets and liabilities		**685 702 299**	**741 839 133**

GROUP STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020
Revenue			
Revenue from exchange transactions			
Cost of sales	17	(43 641)	(793 564)
Sale of goods	18	1 960 011	7 716 495
Rendering of services	19	9 422 976	37 236 569
Concession fees	20	2 363 143	6 470 908
Other operating income	21	10 526 339	8 937 998
Interest received	22	892 365	2 246 075
Total revenue from exchange transactions		**25 121 193**	**61 814 481**
Revenue from non-exchange transactions			
Zithabiseni grant received			
Government grants	23	352 996 000	361 822 957
Zithabiseni grant received	23	25 654 000	25 654 000
Other income	23	5 813 714	3 060 858
Total revenue from non-exchange transactions		**384 463 714**	**390 537 815**
Total revenue		**409 584 907**	**452 352 296**
Expenditure			
Depreciation and amortisation	6	(36 978 107)	(36 748 941)
Employee related costs	24	(320 681 195)	(321 658 614)
Repairs and maintenance	25	(5 632 757)	(3 232 616)
Impairment loss	26	(1 586 291)	(12 730 127)
Operating expenses	27	(95 055 676)	(120 866 459)
Finance costs	28	(223 983)	(684 155)
Total expenditure		**(460 158 009)**	**(495 920 912)**
Deficit for the year		**(50 573 102)**	**(43 568 616)**

GROUP STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	Contribution from owners	Revaluation reserve	Accumulated deficits	Total net assets
Balance as at 01 April 2019 *Restated*		**70 197 729**	**415 571 904**	**150 768 842**	**636 538 475**
Changes in net assets					
Deficit for the year		-	-	(43 666 904)	(43 666 904)
Revaluation surplus on building		-	77 065 019	-	77 065 019
Prior period errors	40	-	-	(1 358 350)	(1 358 350)
Realisation of revaluation surplus on building		-	(14 056 839)	14 056 839	-
Correction adjustments		-	-	5 775 887	5 775 887
Total changes		-	63 008 180	(23 035 959)	39 972 221
Balance as at 01 April 2020 *Restated*		**70 197 729**	**478 580 084**	**125 576 314**	**674 354 127**
(Deficit)		-	-	(50 573 102)	(50 573 102)
Realisation of revaluation surplus on building		-	(15 189 811)	15 189 811	15 189 811
Total changes		-	(15 189 811)	(35 383 291	(50 573 102)
Closing balance as at 31 March 2021		**70 197 729**	**463 390 273**	**90 193 023**	**623 781 025**

Note(s)	15

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		25 477 665	59 878 174
Cash receipts from non-exchange transactions		375 587 791	390 600 336
Interest received		892 365	2 246 075
EPWP	39	2 858 000	2 397 000
		404 815 821	455 121 585
Payments			
Employee costs	13	(320 516 375)	(321 322 029)
Suppliers		(93 149 365)	(122 604 704
Interest expense	15	(223 983)	(684 155)
		(413 889 723)	(444 610 888)
Net cash flows from operating activities	29	**(9 073 902)**	**10 510 697**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3 467 171)	(7 185 643)
Purchases of other intangible assets	7	-	(56 810)
Net cash flows from investing activities		**(3 467 171)**	**(7 242 453)**
Cash flows from financing activities			
Movement in project liabilities		(3 732 611)	19 011 872
Net (decrease)/ increase in cash and cash equivalents		**(16 273 684)**	**22 280 116**
Cash and cash equivalents at the beginning of the year		68 940 122	46 660 006
Cash and cash equivalents at the end of the year	5	**52 666 438**	**68 940 122**

GROUP STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final YTD Budget	YTD Actual amounts on comparable basis	Difference between final YTD budget and actual	Reference
Statement of Financial Performance						
Revenue from exchange transactions						
Sale of goods	1 607 347	-	**1 607 347**	1 729 276	**121 929**	
Rendering of services	16 394 521	-	**16 394 521**	8 841 123	**(7 553 398)**	
Concession fees	2 340 433	-	**2 340 433**	2 363 143	**22 710**	
Rental income	57 600	-	**57 600**	224 976	**167 376**	
Recoveries	268 516	-	**268 516**	282 392	**13 876**	
Hunting wildlife Sales	45 000	-	**45 000**	206 325	**161 325**	
Joint project conservation income	-	-	-	6 954 888	**6 954 888**	
Sundry income	198 583	-	**198 583**	1 914 477	**1 715 894**	
Interest received	600 000	-	**600 000**	883 355	**283 355**	
Revenue from Zithabiseni	3 700 000	-	**3 700 000**	1 162 916	**(2 537 084)**	
Interest received - Zithabiseni	-	-	-	9 010	**9 010**	
Total revenue from exchange transactions	**25 212 000**	-	**25 212 000**	**24 571 881**	**(640 119)**	
Revenue from non-exchange transactions						
Grant allocation	339 496 000	13 500 000	**352 996 000**	352 996 000	-	
EPWP	2 858 000	-	**2 858 000**	2 858 000	-	
Grant allocation - Zithabiseni	25 654 000	-	**25 654 000**	25 654 000	-	
Unspend reserves	-	21 895 000	**21 895 000**	21 895 000	-	
Total revenue from non-exchange transactions	**368 008 000**	**35 395 000**	**403 403 000**	**403 403 000**	-	
Total revenue	**393 220 000**	**35 395 000**	**428 615 000**	**427 974 881**	**(640 119)**	
Expenditure						
Compensation of employees	(302 670 000)	3 747 000	**(298 923 000)**	(298 833 140)	**89 860**	
Board and board committee compensation	(1 430 000)	(1 100 000)	**(2 530 000)**	(2 535 383)	**(5 383)**	
EPWP compensation	(2 858 000)	-	**(2 858 000)**	(2 890 422)	**(32 422)**	
Programme costs	(17 554 000)	(17 857 000)	**(35 411 000)**	(25 128 311)	**10 282 689**	
Payment of capital assets	(800 000)	(3 198 000)	**(3 998 000)**	(3 467 171)	**530 829**	
Goods and services	(38 554 000)	(11 881 000)	**(50 435 000)**	(50 416 649)	**18 351**	
Operating expenses - Zithabiseni	(29 354 000)	-	**(29 354 000)**	(25 909 749)	**3 444 251**	
Cost of sales - Zithabiseni	-	-	-	(42 480)	**(42 480)**	
Bank charges - NDT	-	-	-	(720)	**(720)**	
Total expenditure	**(393 220 000)**	**(30 289 000)**	**(423 509 000)**	**(409 224 025)**	**14 284 975**	
Operating surplus	-	**5 106 000**	**5 106 000**	**18 750 856**	**13 644 856**	
Joint project conservation expenses	-	-	-	(7 776 832)	**(7 776 832)**	
Interest expense	-	-	-	(1 716)	**(1 716)**	
Ring- fenced funds	-	-	-	(2 436 188)	**(2 436 188)**	
Finance costs - Zithabiseni	-	-	-	(222 267)	**(222 267)**	
	-	-	-	**(10 437 003)**	**(10 437 003)**	
Budget and Actuals		**5 106 000**		**8 313 853**	**3 207 853**	

GROUP STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand	Approved budget	Adjustments	Final YTD Budget	YTD Actual amounts on comparable basis	Difference between final YTD budget and actual	Reference
Reconciliation						
Basis difference						
Assets donations				2 628 114		
Profit/(Loss) on fixed assets				(1 713 987)		
Realisation of concessions				708 085		
Bad debts provision				(3 509 220)		
Long service awards				(187 240)		
Depreciation				(33 981 130)		
Non income statement - capex				3 467 171		
Unspend reserves				(21 895 000)		
Zithabiseni - depreciation				(2 996 978)		
Provision for leave				139 661		
Impairment on assets				(1 586 291)		
Bonus provision				72 808		
Stock adjustment				(32 948)		
Surplus/(Deficit) for non-cash items				**(50 573 102)**		

Reconciliation between budget and statement of financial performance	
Net surplus per the statement of financial performance	8 313 853
• Joint project income and cannot be budgeted for, as joint project conservation occurs as and when required by the different parties	(6 954 888)
• Revenue from exchange transaction is less than budget as a result of COVID 19 restrictions.	7 595 007
• Unspent reserves is directed towards overspending in compensation of employee costs of R3.5m as a result of budget reduction of R6.5m	(89 860)
• The overspending in board committee is less than 1 % above the budget.	5 383
• The overspending in EPWP compensation is less than 1 % above the budget.	32 422
• Programme costs underspending due to budget adjustment of R10m towards Tourism relief funds which was deferred to the next financial year 2022	(10 282 689)
• Payment of capital assets saving results from delayed implementation	(530 829)
• Goods and services overspending	(18 351)
• Joint project conservation expenses depends on the progress on projects, as it falls outside MTPA normal operations, and is externally funded.	10 213 020
• Operating expenses - Zithabiseni	(3 444 251)
• Cost of sales - Zithabiseni	42 480
• Interest paid	1 716
• Bank charges - NDT	720
• Finance costs - Zithabiseni	222 267
Net surplus per approved budget	**5 106 000**

GROUP ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2021

1. Basis of Preparation

The Group Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

The principal accounting policies, applied in the preparation of these Group Annual Financial Statements, are set out below, which are consistent with those adopted in the prior financial year:

These Group 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. They are presented in South African Rand. The figures are rounded off to the nearest Rand.

1.1 Significant judgements and sources of estimation uncertainty

- These Group Annual Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.
- The Group Annual Financial Statements have been prepared on accruals basis.
- Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.
- Transactions are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with that which is apparent from their legal or contrived form.
- Presentation and disclosure takes into consideration the materiality of the transaction, which can either be material qualitatively or quantitatively or both.
- In preparing the Group Annual Financial Statements, Management is required to make estimates and assumptions that affect the amounts represented in the Group Annual Financial Statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Group Annual Financial Statements. Accounting estimates are utilised in determining fair value, total useful lives and remaining useful lives of property, plant and equipment.

1.2 Biological assets

The Group's main mandate is to provide for the sustainable management and promotion of tourism and nature conservation in the Mpumalanga Province and to ensure the sustainable utilisation of natural resources. As part of this mandate, the Group is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species.

The Group does not intervene in eco-systems. The nature reserves are home to different species of animals where all inhabitants of an eco-system co-exist without human interference.

Biological assets consist of wild animals managed for conservation purposes. This management is however not an agricultural activity as the main objective is not to harvest (or produce additional biological assets for harvest) but manage and maintain a specific environment as a whole. Hence such assets cannot be accounted for using the principles of GRAP 27. Hence the Group has accounted for these assets in accordance with the principles and interpretations of GRAP 17.

Based on the Framework for the Preparation and Presentation of Financial Statements and GRAP 17, these assets meet the definition of an asset but does not meet the recognition criteria relating to reliable measurement. The Group cannot reliable measure the values of biological assets as they are not of a nature that can be easily counted with a level of certainty. Valuations are not easily available as the assets are kept for conservation purposes, and the parks cannot keep up with births, deaths, and migrations of wildlife. As the biological assets cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

The Group does not recognise its biodiversity assets as it does not meet the recognition criteria, but only discloses statistical numbers results as additional disclosure for the benefit of users to the Group Annual Financial Statements.

GRAP 110

"Living resources .15 A living resource shall be recognised as an asset if, and only if:

- It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- The cost or fair value of the asset can be measured reliably.

Assessing if a living resource is an asset

16. The definition of an asset is met if the living resource is controlled by the entity, as a result of past events, and from which future economic benefits or service potential is expected to flow to the entity.

17. Control of a living resource may be evidenced:

- By legislation or similar means, where the entity is granted control of an asset to meet its service delivery objectives;
- Through an acquisition;
- Due to a non-exchange transaction, for example through a donation or reproduction which results in offspring.

18. To demonstrate control, the entity needs to control the right or access to future economic benefits or service potential of the resource. To assess whether the entity controls the living resource, the following indicators can be applied individually, or in combination, to conclude that control exists:

- The intervention by an entity in the management of the physical condition of the living resource.
- The ability to restrict the movement of the living resource.
- The ability to direct the use of the living resource."

In light of the above, the Group has no control over its living and nonliving assets, hence cannot record living and non-living resources as assets.

1.3 Property, Plant and Equipment

Land accounted for under property plant and equipment has an indefinite useful life and is not depreciated.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are recognised in the Statement of Financial Position initially at cost and thereafter measured at the end of the reporting year at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of such infrastructure and buildings is credited directly to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in surplus or deficit, in which case the increase is credited to surplus or deficit to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in surplus or deficit to the extent that it exceeds any credit balance existing in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in set of Statement of Financial Performance. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated deficit. The revaluation reserve in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus or deficit as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on original cost of the asset.

Other fixed assets are stated at cost or deemed cost in terms of directive 7, less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end. Changes are accounted for as a change in accounting estimate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

The depreciation rates are in accordance with the MTPA's asset management policy. Assets are written off over their expected useful lives up to their residual values. The depreciation rates are the following:

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

Item	Average useful life
Land	Indefinite
Buildings	10 - 50 years
Machinery and mechanical equipment	5 - 25 years
Furniture and fixtures	5 - 25 years
Motor vehicles	5 - 30 years
Computer equipment	3 - 15 years
Infrastructure	10 - 80 years
Minor assets	2 years

Work-in-progress

Work in progress related to assets under construction. The cost of a work-in-progress asset is determined using the same principles as for an acquired asset outlined above. Work-in-progress assets are not depreciated. Depreciation only commences when the asset thus constructed becomes available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

1.4 Intangible assets

An intangible asset is an identifiable, nonmonetary asset without physical substance. Intangible assets are identifiable resources controlled by the entity from which the entity expects to derive future economic benefits.

An intangible asset is identifiable if it either is separable, ie is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits 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 that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is recognised in the profit or loss and is provided on the straightline basis which, it is estimated, will reduce the carrying amount of the assets to their residual values at the end of their useful lives.

Intangible assets are amortised at the following rates:

Computer software	3-5 years

1.5 Heritage assets

Heritage assets are assets, which have a cultural, environmental, historical, natural, scientific, technological, or artistic significance, and are held indefinitely for the benefit of present and future generations.

Classes of heritage assets include conservation areas such as reserves. This land is reflected as a heritage asset of the Group.

Characteristics often displayed by heritage assets include the following:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms;
- Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale;
- They are often irreplaceable;
- Their value may increase over time even if their physical condition deteriorates;
- They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance; and
- They are protected, kept unencumbered, cared for and preserved.

Recognition

A heritage asset shall be recognised as an asset if, and only if:

- It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- The cost or fair value of the asset can be measured reliably.

The Group holds heritage assets through conservation areas in the reserves that are regarded as heritage assets. The Group does not recognise heritage assets, which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured. Relevant and useful information about them has been disclosed in the notes to the annual financial statements.

Initial measurement

A heritage asset that qualifies for recognition as an asset, shall be measured at its cost. When it is acquired through a non-exchange transaction, it will be measured at its fair value/deemed cost as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The Group assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the Group estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. The transfer will be made at the carrying value of the heritage asset.

Derecognition

The Group derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.6 Financial instruments

Initial recognition

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Receivables from exchange and non-exchange transactions

Trade and other receivables are classified as receivables from exchange transactions and receivables from non-exchange transactions.

Trade receivables are measured at initial recognition at fair value less provision made for impairment of these receivables.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector either through established practices or legislation.

The Group provides for receivables which are older than 120 days. Appropriate allowances for estimated irrecoverable amounts are recognised in deficit or surplus when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The carrying value of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Group Annual Statement of Financial Performance.

Payables from exchange transactions and payables from non-exchange transactions

Payables from exchange transactions are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Other loans and receivables

Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment losses.

These financial assets are not quoted in an active market and have fixed or determinable payments.

Financial Instrument

Projects arise as and when a new project is planned per the Group's implementation plan. These projects are funded by External stakeholders and the projects funds are managed by the Group.

The cash payments made during the year relating to these projects are recognized as expenditure in the Group Statement of Financial Position when final authorisation for payments is effected on the system (by no later than 31 March of each year). Any unutilised amounts are recognised as payables in the Group Statement of Financial Position.

1.7 Tax

Current tax assets and liabilities

The Group is registered as a tax payer in terms of S10(1) of the Income Tax Act, 1962. The institution qualifies as an exempt institution, and is accordingly exempt from South African normal tax in terms of S10(1) of the Income Tax Act, 1962.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Operating leases

Leases for assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Group Statement of Financial Performance on a straight-line basis over the period of the lease after taking into account any fixed escalation clauses.

Contingent rents are charged as an expense in the periods in which they are incurred.

Finance leases

Assets held under finance leases are recognised in the balance sheet at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases. All assets held under finance leases are classified as fixed assets, except for those properties held to earn rental income which are classified as investment property.

Depreciation and impairment loss are calculated and recognised in the same manner as the depreciation and impairment loss on fixed assets as set out in note , except for the estimated useful lives cannot exceed the relevant lease terms, if shorter.

Minimum lease payments are apportioned between finance charge and the reduction of the outstanding liabilities. The finance charge is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.9 Inventories

The Group inventories include consumables, staff uniforms and fuel.

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

Inventories are subsequently measured at the weighted 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.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity for the purpose of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit orientated entity, it generates a commercial return.

The Group assesses at each reporting date whether there is any indication that an asset or cash-generating unit to which an asset belongs to may be impaired.

When such an indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The future expected cash flows are discounted at a rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in the carrying amount of an asset due to the reversal of an impairment loss should not exceed what the carrying amount would have been if no impairment loss had been recognised.

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.11 Contribution from owners

An equity instrument is any contract that evidences a residual interest in the assets of an Group after deducting all of its liabilities.

1.12 Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the Group. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the Group Annual Statement of Financial Position, because that asset is no longer considered to be contingent.

1.13 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, bonuses, 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.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

Other long-term employee benefits

Other long-term employee benefits may include, for example:

- Long-term compensated absences such as long service or sabbatical leave;
- Other long service benefits;
- Long-term disability benefits;
- Bonus, incentive and performance related payments payable twelve months or more after the end of the reporting period which the employees render the related service;
- Deferred compensation paid twelve months or more after the end of the reporting period in which it is earned.

Long service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Group. The Group's obligation under these plans is valued periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by Management and are charged against the Group Annual Statement of Financial Performance as employee benefits upon valuation.

Gains and losses arising from the experience adjustments and changes in assumptions, is charged or credited to the Group Annual Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by Management.

- The proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- The proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.
- An entity's decision to terminate an employee's employment before the normal retirement date; or
- An employee's decision to accept voluntary redundancy in exchange for those benefits.

1.14 Provisions and Contingencies

A **provision** is a liability of uncertain timing or amount.

Provisions are recognised when:

- The Group 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 entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

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

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- Has a detailed formal plan for the restructuring, identifying at least:
- The activity/operating unit or part of a activity/operating unit concerned;
- The principal locations affected; - the location, function and approximate number of employees who will be compensated for services being terminated;
- The expenditures that will be undertaken; and
- When the plan will be implemented; and
- Has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- Necessarily entailed by the restructuring; and
- Not associated with the ongoing activities of the Group

No obligation arises as a consequence of the sale or transfer of an operation until the Group is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

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

A **contingent liability is:**

- A possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity; or
- A present obligation that arises from past events but is not recognised because:
- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The Group recognizes a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- Financial difficulty of the debtor;
- Defaults or delinquencies in interest and capital repayments by the debtor;
- Breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- A decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the Group for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the Group considers that an outflow of economic resources is probable, the Group recognises the obligation at the higher of:

- The amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- 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 asset** is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

The Group does not recognize contingent assets. Rather, contingent assets are disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets usually arise from unplanned or other unexpected events that are not wholly within the control of the Group and give rise to the possibility of an inflow of economic benefits or service potential to the Group. An example is a claim that the Group is pursuing through legal processes, where the outcome is uncertain.

Contingent assets are not recognised in financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, an entity discloses the contingent asset.

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.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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.

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

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 Revenue from non-exchange transaction: Government Grant

Government grants

Government grants are recognised in the period when they become receivable and credited to the Group Statement of Financial Performance. Funds received for capital development as conditional grants are recognised as deferred income and credited to the Group Statement of Financial Performance on a straightline basis when the stipulations of the conditional grants are met.

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 reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Revenue from non-exchange transactions

Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and

Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the funders. If conditions are attached to the grant, a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.

Assets in-kind

Assets in-kind are property; plant and equipment transferred to an entity in a non-exchange transaction, without charge, but may be subject to stipulations. Assets in-kind are recognised as revenue and property, plant and equipment:

- When it is probable that the future economic benefits or service potential will flow to the Group and the fair value of the assets can be measured reliably.
- When the assets are received, or there is a binding arrangement to receive the goods. If assets 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.

On initial recognition, assets inkind are measured at their fair value as at the date of acquisition, which may be ascertained by reference to an active market, or by appraisal.

1.16 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.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange

Rendering of services

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

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the reporting date can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable
- Accommodation income is recognised on a daily basis.
- Entrance fees are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.

- Partnership income relates to employment projects that are administered by the Group but funded from external parties. i.e. Group – Environmental Monitors for PMU, ICMA – Komati river scientific programs are included in sundry income. These are recognised when accrued.
- Sundry income relates to once of payments that are received for insurance claims, incidental rental income, nursery sales, wood sales etc. These are recognised when accrued.
- Sales relates to game sales, hunting packages and fishing, hunting permits.
- Management fees for managing special projects are recognised on a monthly basis, based on the services performed.
- Rent received is recorded on a daily basis or monthly in accordance with the substance of the relevant agreements.
- Income from concessions granted to operators to build, operate and transfer lodges and from rental of facilities to operators is recognised as it accrues over the period of the agreement.

Sale of goods and services

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

Interest is recognised, in the Group Statement of Financial Performance, using the effective interest rate method.

1.17 Biological Assets

The Group's main mandate is to provide for the sustainable management and promotion of tourism and nature conservation in the Mpumalanga Province and to ensure the sustainable utilisation of natural resources. As part of this mandate, the Group is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species.

The Group does not intervene in ecosystems. The nature reserves are home to different species of animals where all inhabitants of an ecosystem coexist without human interference.

Biological assets consist of wild animals managed for conservation purposes. This management is however not an agricultural activity as the main objective is not to harvest (or produce additional biological assets for harvest) but manage and maintain a specific environment as a whole. Hence such assets cannot be accounted for using the principles of GRAP 27. Hence the Group has accounted for these assets in accordance with the principles and interpretations of GRAP 17.

Based on the Framework for the Preparation and Presentation of Financial Statements and GRAP 17, these assets meet the definition of an asset but does not meet the recognition criteria relating to reliable measurement. The Group cannot reliable measure the values of biological assets as they are not of a nature that can be easily counted with a level of certainty. Valuations are not easily available as the assets are kept for conservation purposes, and the parks cannot keep up with births and deaths and migrations of wildlife. As the biological assets cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

The Group does not recognise its biodiversity assets as it does not meet the recognition criteria, but only discloses statistical numbers results as additional disclosure for the benefit of users to the Annual Financial Statements.

GRAP 110

"Living resources .15 A living resource shall be recognised as an asset if, and only if:

- It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- The cost or fair value of the asset can be measured reliably.
- Assessing if a living resource is an asset

16. The definition of an asset is met if the living resource is controlled by the entity, as a result of past events, and from which future economic benefits or service potential is expected to flow to the entity.

17. Control of a living resource may be evidenced:

- By legislation or similar means, where the entity is granted control of an asset to meet its service delivery objectives;
- Through an acquisition;
- Due to a non-exchange transaction, for example through a donation or reproduction which results in offspring.

18. To demonstrate control, the entity needs to control the right or access to future economic benefits or service potential of the resource. To assess whether the entity controls the living resource, the following indicators can be applied individually, or in combination, to conclude that control exists:

- The intervention by an entity in the management of the physical condition of the living resource.
- The ability to restrict the movement of the living resource.
- The ability to direct the use of the living resource."

In light of the above, the Group has no control over its living and nonliving assets, hence cannot record living and non living resources as assets.

- Costs that relate directly to the specific contract;
- Costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- Such other costs as are specifically chargeable to the customer under the terms of the contract.

1.18 Commitments under service level agreements

Capital commitments are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at the accounting date, and for amounts which the Board's approval has been obtained but not yet contracted for.

Commitments are not recognised in the Group Statement of Financial Position as a liability or as an expenditure in the Group Statement of Financial Perfomance but are included in the disclosure notes 33.

1.19 Borrowing costs

Interest expense

All interest expenses are recognised in profit or loss in the period in which they are incurred.

1.20 Project Liabilities

Projects arise as and when a new project is planned per the Group's implementation plan. These projects are funded by external stakeholders and the projects funds are managed by the Group.

Included in this liability are the community benefit sharing projects. The community benefit-sharing projects arise upon the existence of a co-management agreement between the Group and the respective communities adjacent to the protected area.

1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.
All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Group 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 Group Statement of Financial Performance.

1.22 Irregular expenditure

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

- This Act; or
- The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial year is disclosed under note 36.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when it is either:

- Condoned by the relevant authority if no official was found to be liable in law;
- Recovered from an official liable in law;
- Written-off if it’s irrecoverable from an official liable in law; or
- Written-off if it’s not condoned and not recoverable.

1.23 Service concession arrangements: Entity as grantor

Service concession arrangements arise from the service concession agreements that the Group (the grantor) has with different operators. These arrangements give the operator the right to provide a mandated function of the entity over the period of service concession agreement. The operator is given the right to either to build and or operate an infrastructure asset within the entity’s parks.

These transactions give rise to assets (infrastructure and other movables assets), liabilities and revenues that are accounted for in the manner outlined below:

Assets

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

Recognition

The grantor shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

- The grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them and at what price.
- The grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the asset at the end of the term of the arrangement.

Initial measurement

The grantor shall initially measure a new service concession asset that meets the concession asset recognition criteria, at its fair value.

Where an existing asset meets the conditions of a concession asset, the grantor shall reclassify the asset as a concession asset. The reclassified service concession asset shall be initially measured and accounted for, in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Subsequent measurement

After initial recognition or reclassification, service concession assets shall be initially measured and accounted for (in all respects), in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Liability

Recognition

Where the grantor recognises a service concession asset, the grantor shall also recognise a liability. The grantor shall not recognise a liability where an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Initial measurement

Where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the grantor shall account for the liability recognised as a financial liability.

The liability arising from concession asset recognition shall be initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration (e.g. cash) from the grantor to the operator, or from the operator to the grantor.

Subsequent measurement

The Financial Liability Model

Subsequent to initial measurement, the Standard of GRAP on Financial Instruments (GRAP 104) applies to the financial liability recognised above.

The grantor shall allocate the payments to the operator and account for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charges and charges for services provided by the operator in a service concession arrangement shall be accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the grantor to the operator shall be allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the grantor to the operator is determined using estimation techniques.

Grant of a Right to the Operator Model

Where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue generating asset, the grantor shall account for the liability, as the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator.

The grantor shall recognise revenue and reduce the liability recognised, according to the substance of the services concession arrangement.

Other Liabilities

The grantor shall account for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the Standard of GRAP on Provisions, Contingent Assets (GRAP 19) and Financial Instruments (GRAP 104)

Other Revenues

The grantor shall account for revenues from a service concession arrangement, other than those specified under Grant of a right to the operator model in accordance with the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9)

Derecognition

Service concession arrangements are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of service concession arrangements 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.

Compensation from third parties for service concession arrangements that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.24 Budget information

The Group is 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 the Group shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2020 to 31 Mar 2021.

1.25 Related parties

The Group operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Group, including those charged with the governance of the Group in accordance with legislation, in instances where they are required to perform such functions. This includes close family members who are considered to be those family members who may be expected to influence, or be influenced by, that Management in their dealings with the Group.

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

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

1.27 Change in Accounting Policies, Estimates and Errors

Change in estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- The period of the change, if the change affects that period only; or
- The period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

Prior period errors

Prior period errors are omissions from, and misstatements in, the Groups' Annual Financial Statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- Was available when financial statements for those period were authorised for issue; and
- Could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

A prior period error shall be corrected by retrospective restatement in the first set of the Group's Annual Financial Statements authorised for issue after their discovery by:

- Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Change in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

An entity shall change an accounting policy only if the change:

- Is required by a standard of GRAP; or
- Results in the Group Annual Financial Statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the Group's Financial Position, Financial Performance or Cash Flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When is it impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

1.28 New standards and interpretations

Standards and interpretations effective and adopted in the current year:

There no new standards and interpretations that became effective during the financial year ended 31 March 2019.

The following standards of GRAP have been approved, but are not yet effective, where the Minister has set the effective date. The impact of these standards and interpretations on the group, when they do become effective, are as follows:

GRAP 32: Service Concession Arrangements: Grantor –

This standard will affect the Group, as the group does have service concession arrangements.

The potential impact is that the group would have to recognize the assets and liabilities arising from service concession agreement.

The monetary effect of the standard will be assessed in the coming financial year. This entails attaining a value for all assets under concession agreement, that meets the criteria set in the Interpretation GRAP (IGRAP 17, refer below).

This standard is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

The Group has early adopted this standard, and has used it to formulate an accounting policy.

GRAP 108: Statutory Receivables –

This Standard will not have any impact on the group as the Group does not have receivables that arise from legislation, supporting regulations, or similar means.

This standard is effective from 01 April 2019.

GRAP 109: Accounting by Principals and Agents –

This standard will have an impact on the as the group does act as both a principal and agent, in binding principal-agent arrangements.

Service concessions agreements give rise to transactions where the Group is a principal. The business plans and memorandum of agreement between the Group and the different organs of the state from which the Group receives funding to implement projects on their behalf, gives rise to the Group being an agent.

The impact of the standard when it becomes effective is that the Group will have to recognize all revenues, expenses, assets and liabilities arising from transactions where the Group is ***a principal***. The material effect of this standard would be the recognition of the concession asset. The liabilities and expenses affecting service concession agreements are already recognised in the Statement of Financial Performance by virtue of other standards of GRAP.

Additionally, the Group will have to recognize all assets, liabilities and expenses arising from transactions where the Group is ***an agent.*** The material effect of this standard would be the de-recognition of the assets and liabilities that arise from the Group acting as an agent. The revenues arising from principal-agent are already recognised in the Statement of Financial Performance by virtue of other standards of GRAP.

IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation GRAP Standards sets out the criteria that ought to be complied with before a revenues, expenses, assets and/or liabilities arising from GRAP 32 above, can be recognized in the Group's Statement of Financial Performance and Statement of Financial Position.

This Interpretation GRAP is effective from 01 April 2019

The Group has early adopted this Interpretation, and has used it to formulate an accounting policy.

IGRAP 18: Recognition and de-recognition of land –

This Interpretation GRAP will have an impact on the Group as the Group does operates on land for which it has no legal title on, save the right of use.

The impact of the standard when it becomes effective is that the Group might have to recognize a major part of the protected land under its use.

This Interpretation GRAP is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

IGRAP 19: Liabilities to pay levies –

This Interpretation GRAP will have an impact on the Group as the Group does operates on land for which it has no legal title on, but the right of use.

The impact of the standard when it becomes effective is that the Group might have to recognize a major part of the protected land under its use.

This standard is effective from 01 April 2019 and must be implemented by all entities that applies the GRAP Financial Reporting Framework, by 31 April 2020.

The following standards of GRAP have been approved, but for which the Minister of Finance has not determined the effective date. The Group has not applied any of these standards. The impact of these standards on the Group when they do become effective are as follows:

GRAP 110: Living and non-living resources –

This standard will have an impact on the Group as the Group does have living and non-living resources.

Non-living resources includes land, and water, minerals, oils, gas, and other non-regenerative resources, which have not been extracted. And living resources are those resources that undergo biological transformation, such as plants and animals.

The impact of the standard when it becomes effective is that the Group will have to recognise living and non-living resources, subject to the resource meeting the criteria of control.

This standard has been approved, but the effective date has not been set.

The average credit period on trade receivables is 30 days. No interest is charged on outstanding balances of trade receivable accounts.

The majority of the Group's accounts receivables originate from sales of goods and rendering of services. The inherent credit risk is mitigated by a credit verification process performed before awarding of future accounts.

The following receivables had balances outstanding that represented more than 5% of the total balance of outstanding receivable from exchange transactions.

DISCLOSURE NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH2021

Figures in Rand	2021	2020 Restated*
2. Inventories		
Consumable stores	519 400	780 681
Fuel (Diesel, Petrol)	832 966	1 051 140
Less: write off of fuel	(25 452)	-
	1 326 914	**1 831 821**
3. Receivables from exchange transactions		
Receivable from exchange transactions	8 299 302	11 482 034
Receivable from non-exchange transactions	(6 517 163)	(3 514 319)
Prepaid expenses	1 140 113	336 120
	2 922 252	**8 303 835**

Trade and other receivables pledged as security

The average credit period on trade receivables is 30 days. No interest is charged on outstanding balances of trade receivable accounts.

The majority of the Group's accounts receivables originate from sales of goods and rendering of services. The inherent credit risk is mitigated by a credit verification process performed before awarding of future accounts.

The following receivables had balances outstanding that represented more than 5 % of the total balance of outstanding receivable from exchange transactions:

Account	31 March 2021 Rand	Percentage of total (%)	31 March 2020 Rand	Percentage of total (%)
Peter Thormahlen	-	-	456 600	5
South Africa National Parks	749 251	9	-	-
Humala / Pinnacle	-	-	500 352	5
Tintswalo Safari Lodge	3 070 622	37	2 222 811	23
Department Of Economic Development	-	-	599 796	6
Triosphere (Pty) Ltd	-	-	635 594	6
CAWS	1 109 171	13	1 109 171	11
Honeyguide Tented Safari Camps	843 426	10	1 788 356	18
	5 772 470		**7 312 680**	

Ageing of debtors is as follows:

Account	Balance as at 31 March 2021 Rand	Balance as at 31 March 2020 Rand
0 - 30 days	1 297 792	5 292 126
30 - 60 days	159 480	695 000
60 - 90 < days	217 031	141 323
90 - 120 days	107 836	166 698
> 120 days	6 517 163	3 505 039
Zithabiseni - 0-120 days	-	37 118
	8 299 302	**9 837 304**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(3 514 319)	(2 410 680)
Provision for impairment	(3 002 844)	(1 103 639)
	(6 517 163)	**(3 514 319)**

In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The receivable balances that constitute the prior year allowance for impairment losses have been partially collected in the current year, since these receivables are still in the process of being collected.

4. Receivables from non-exchange transactions

Other receivables*	983 062	1 572 087
Deposits	268 288	259 375
SARS - PAYE	852 540	252 251
Staff receivables	-	5 237
	2 103 890	**2 088 950**

*The Group has conditional grants from different public sector funders for special projects. The terms of reference differs per project. During the execution of such projects, sometimes the group uses their own funds to cover project costs. The above amounts indicate instances where the group has used its own funds to cover project costs. This amount is recoverable from the funders. The group ensures that they do not exceed the project value as per the project's Memorandum of Agreement.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	12 167
Bank balances	52 666 438	68 938 244
Bank overdraft	-	(10 289)
	52 666 438	**68 940 122**

Bank Balances		
MTPA Operational account	13 169 467	18 790 956
MTPA salaries account	276 117	8 172 739
Funds held on behalf of the projects*	38 931 734	41 574 683
Consolidated bank account - Trusts	218 035	230 613
Zithabiseni bank account	59 228	169 253
	52 654 581	**68 938 244**

*Funds held on behalf of projects in several bank accounts.

6. Property, plant and equipment

	2021			2020		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Land	4 487 213	-	4 487 213	4 487 213	-	4 487 213
Buildings	718 955 954	(309 549 740)	409 406 214	715 487 503	(288 761 918)	426 725 585
Large and small capital equipment	10 608 573	(5 584 498)	5 024 075	14 346 329	(8 810 680)	5 535 649
Motor vehicles	30 613 588	(17 243 217)	13 370 371	32 252 986	(17 050 057)	15 202 929
Office equipment	2 411	(2 407)	4	2 411	(2 407)	4
Computer equipment - Zithabiseni	199 622	(185 410)	14 212	220 548	(185 410)	35 138
Computer equipment	9 098 883	(4 070 841)	5 028 042	12 134 272	(5 974 040)	6 160 232
Computer equipment - Zithabiseni	281 406 793	(137 540 967)	143 865 826	280 805 553	(125 283 815)	155 521 738
Large and small capital equipment	18 247 601	(11 579 234)	6 668 367	20 231 555	(12 786 393)	7 445 162
Concession - infrastructures	735 433	(200 906)	534 527	735 433	(133 937)	601 496
Concession - buildings	3 513 075	(836 825)	2 676 250	3 513 075	(557 883)	2 955 192
Work in progress	177 147	(85 513)	91 634	297 544	(253 375)	44 169
Work in progress	178 334	-	178 334	469 907	-	469 907
TOTAL	**1 078 224 627**	**(486 879 558)**	**591 345 069**	**1 084 984 329**	**(459 799 915)**	**625 184 414**

6. Property, plant and equipment *(continued)*

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Assets in kind	Depreciation	Impairment loss	Total
Land	4 487 213	-	-	-	-	-	-	4 487 213
Buildings	426 725 585	439 458	-	400 880	2 628 114	(19 201 532)	(1 586 291)	409 406 214
Furniture and fixtures	5 535 649	501 291	(691 915)	25 000	240 000	(585 950)	-	5 024 075
Motor vehicles	15 202 929	-	(8 818)	-	-	(1 823 740)	-	13 370 371
Office equipment	4	-	-	-	-	-	-	4
Computer equipment - Zithabiseni	35 138	-	-	-	-	(20 926)	-	14 212
Computer equipment	6 160 232	562 350	(495 136)	-	-	(1 199 404)	-	5 028 042
Infrastructure	155 521 738	711 729	(112 353)	97 171	-	(12 352 459)	-	143 865 826
Large and small capital equipment	7 445 162	812 567	(405 967)	63 573	-/	(1 246 968)	-	6 668 367
Concession - infrastructures	601 496	-	-	-	-	(66 969)	-	534 527
Concession - building	2 955 192	-	-	-	-	(278 942)	-	2 676 250
Minor assets	44 169	106 718	-	-	-	(59 253)	-	91 634
Work-in-progress	469 907	333 058	-	(624 631)	-	-	-	178 334
	625 184 414	**3 467 171**	**(1 714 189)**	**(38 007)**	**2 868 114**	**(36 836 143)**	**(1 586 291)**	**591 345 069**

* **Concession**

- The concession period shall commence on the Commencement date and shall continue thereafter for a period of 15 (fifteen) years (“the Initial Concession Period).
- The Concessionaire has the right to the following
  - a. Finance, design, construct and operate the facilities
  - b. General, charge and collect revenue from the operation and management of the Facility during the Concession Period; and
  - c. Use the Concession Area for the purpose of the project, refer to contract.
- The Concessor requires the Concessionaire to promote on its mandate to uplift tourism and create employment.
- The Concessionaire shall, ensure that the standards, quality and nature of the access roads and control points, in place at the Commencement Date will remain substantially the same during the Concession Period.
- On the expiry or termination of the agreement and/or the Concession Period for whatever reason and are in place without prejudice to any of the Parties hereto (subject as herein provided):
  The Concession agreement shall cease to have effect, subject to all rights and obligations of the Parties existing prior to such termination;
  - a. Such rights as the concession may have over the Concession Area, the Camp and facilities shall terminate
  - b. The Concessionaire shall, without payment of any compensation by the Concessor, transfer all of its right, title and interests in the concession Area and facilities to the Concessor in good condition and in accordance with a standard and quality reasonably acceptable to the Concessor, fair.

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfer from WIP	Disposals	Assets in kind	Revaluations	Correction adjustments	Depreciation	Impairment loss	Disposal Accum. dep	TOTAL
Land	4 487 213	-	-	-	-	-	-	-	-	-	4 487 213
Buildings	374 417 655	984 256	297 500	-	-	77 065 019	5 970 223	(19 278 939)	(12 730 129)	-	426 725 585
Furniture and fixtures	4 744 846	1 334 416	-	-	-	-	-	(543 613)	-	-	5 535 649
Motor vehicles	16 969 166	-	-	-	58 602	-	-	(1 824 839)	-	-	15 202 929
Office equipment	4	-	-	-	-	-	-	-	-	-	4
IT equipment	58 296	-	-	-	-	-	-	(23 158)	-	-	35 138
Computer equipment	6 216 698	1 329 897	-	(89 960)	-	-	-	(1 308 382)	-	11 979	6 160 232
Infrastructure	166 839 328	886 691	56 430	-	-	-	-	(12 260 711)	-	-	155 521 738
Large and small capital equipment	6 742 791	1 811 863	-	(15 560)	-	-	-	(1 098 327)	-	4 395	7 445 162
Concession - infrastructures	668 464	-	-	-	-	-	-	(66 968)	-	-	601 496
Concession - building	3 234 133	-	-	-	-	-	-	(278 941)	-	-	2 955 192
Minor assets	116 851	69 180	-	-	-	-	-	(141 862)	-	-	44 169
Work in progress	56 430	1 084 031	(670 554)	-	-	-	-	-	-	-	469 907
	584 551 875	**7 500 334**	**(316 624)**	**(105 520)**	**58 602**	**77 065 019**	**5 970 223**	**(36 825 740)**	**(12 730 129)**	**16 374**	**625 184 414**

Description of land

Place	ERF	Rand
Head Office	Portion 14 of the farm riverside 308 JT	3 505 433
Elukwatini	ERF 27 Elukwatini B Ext 1	981 780
TOTALS		**4 487 213**

Revaluations

The Group has undertook an extensive exercise in March 2020 to identify and value the depreciated cost of the immovable assets and leaseholds improvements. The valuations were performed and the useful lives of the properties were reviewed accordingly.

Fair value estimations were ascertained by determining the estimated replacement cost, based on AECOM published building rates per measured surface area, applicable to Africa. A condition rating, based on physical observation, was applied to the estimated replacement cost to calculate the depreciated replacement cost used as the net replacement value at year-end. The effective date of the valuation is 31 March 2020, valid for 5 years until 2025.

7. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	542 875	(488 346)	54 529	542 875	(346 380)	196 495

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	196 495	(141 966)	54 529

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	257 195	56 810	(117 510)	196 495

The Group assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

8. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	35 283 207	-	35 283 207	35 283 207	-	35 283 207

Reconciliation of heritage assets - 2021

	Opening balance	Total
Conservation areas	35 283 207	35 283 207

Reconciliation of heritage assets - 2020

	Opening balance	Total
Conservation areas	35 283 207	35 283 207

Name of the reserve	Hectares	Historical cost
Loskop Dam	22 891	26 866 932
Paardeplaats Nature Reserve	2 426	8 416 275
TOTALS		**35 283 207**

Heritage assets which fair values cannot be reliably measured.

A significant value of the Group Heritage assets were obtained through non-exchange transactions from various state-owned entity. For Heritage, assets obtained from non-exchange transactions the Group attempted to establish the value thereof using guidance from Directive 7 issued by the Accounting Standards Board. Due to the nature of the Group activities, the Group could not establish neither a fair value /deemed cost nor a replacement cost for its Heritage assets acquired from non-exchange transactions. For that reason, the Group Heritage assets acquired from non-exchange transactions could not be recognised in the Group Annual Financial Statements. However, information pertaining to such assets has been disclosed below.

The Group assesses at each reporting date whether there is any indication that the heritage assets may be impaired. No such indication existed at the end of the current financial reporting period.

Name of the Nature Reserve	2021	2020
Cynthia Letty Nature Reserve	7	7
Ida Doyer Nature Reserve	32	32
Tinie Louw Nature Reserve	10	10
Thorncroft Nature Reserve	17	17
Swadini Nature Resort	100	100
Vertroosting Nature Reserve	162	162
Mangwazi Nature Reserve	419	419
Sterkspruit 2 Nature Reserve	478	478
Witbad Nature Reserve	565	565
Mahushe Shongwe Nature Reserve	1 140	1 140
Sterkspruit 1 Nature Reserve	1 133	1 133
Little Joker – Formosa Nature Reserve	1 273	1 273
SS Skhosana Nature Reserve	1 816	1 816
Ohrigstad Dam Nature Reserve	2 525	2 525
Barberton Phase 1 Nature Reserve	2 569	2 569
Nooitgedacht Dam Nature Reserve	2 986	2 986
Barberton Phase 2 Nature Reserve	5 415	5 415
Verloren Vallei Nature Reserve	5 989	5 989
Andover Nature Reserve	6 816	6 816
Bushbuck Ridge Nature Reserve	7 094	7 094
Mthethomusha Nature Reserve	7 979	7 979
Mdala Nature Reserve	8 165	8 165
Mabusa Nature Reserve	10 006	10 006

Name of the Nature Reserve	2021	2020
Mkhombo Nature Reserve	11 224	11 224
Barberton Phase 3 Nature Reserve	19 558	19 558
Manyeleti Nature Reserve	22 563	22 563
Blyde River Canyon Nature Reserve	27 290	27 290
Songimvelo Nature Reserve	46 320	46 320
TOTAL	**193 651**	**193 651**

9. Biological assets

Non-financial information

The Group performs a scientific calculation or game census every three years on animals that can easily be counted from the air and for specific section of the nature reserves depending on the allocated budget and funding available. The Group does not perform counts on small animals, insects, birds and freshwater biodiversity.

Name	Estimated Head Count
Blesbuck	1673
Buffalo "Clean"	390
Bushbuck	85
Bushpig	56
Common Reedbuck	77
Duiker Grey	106
Eland	245
Elephant	87
Giraffe	162
Grey Rhebuck	136
Hartebeest red	293
Hippo	41
Impala	827
Klipspringer	17
Kudu	794
M/reedbuck	178
Nyala	129
Oribi	52
Ostrich	21
Sable	53
Springbuck	136
Steenbok	23
Tsessebe	106
Wrathog	148
Waterbuck	245
White rhino	30
Wildebeest black	484
Wildebeest blue	605
Zebra	1273

The Group's main mandate is to provide for the sustainable management and promotion of tourism and nature conservation in the Mpumalanga Province and to ensure the sustainable utilisation of natural resources. As part of this mandate, the Group is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species.

The Group does not intervene in ecosystems. The nature reserves are home to different species of animals where all inhabitants of an ecosystem coexist without human interference.

Biological assets consist of wild animals managed for conservation purposes. This management is however not agricultural activity as the main objective is not to harvest (or produce additional biological assets for harvest) but manage and maintain a specific environment as a whole. Hence such assets cannot be accounted for using the principles of GRAP 27. Hence the Group has accounted for these assets in accordance with the principles and interpretations of GRAP 17.

Based on the Framework for the Preparation and Presentation of Financial Statements and GRAP 17, these assets meet the definition of an asset but does not meet the recognition criteria relating to reliable measurement. The Group cannot reliable measure the values of biological assets as they are not of a nature that can be easily counted with a level of certainty, valuations are not easily available as the assets are kept for conservation purposes, and the parks cannot keep up with births and deaths and migrations of wildlife. As the biological assets cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

The Group does not recognise its biodiversity assets as it does not meet the recognition criteria, but only discloses the game census results as additional disclosure for the benefit of users to the Group Annual Financial Statements.

10. Payables from exchange transactions

Trade payables from exchange transactions	11 509 684	14 815 824
Salary control accounts	3 733 053	4 113 169
Other payables - accruals	8 457 570	5 861 642
	23 700 307	**24 790 635**

Included in other payables is an amount of R4.7m (**2020:** R4.8m) of bonus provision.

11. Long service awards

Opening balance	951 111	4 125 481
Movement	117 240	(3 174 370)
	1 068 351	**951 111**

Short term portion	123 178	95 938
Long term portion	945 173	855 173
	1 068 351	**951 111**

The provision relates to a long term portion of amounts due to employees for over 5, 10, 15 and 20 years of service. The obligation will be settled upon completion of each five-year period of employment. The Group assumes a staff loss percentage based on the previous year's result (2021: 3.4%) (2020: 3.6%). The average future rate increase is.(2021: 3.2%) (2020: 4%).

12. Provision

Opening balance	1 026 426	832 587
Recognised	(139 661)	380 657
Amount paid during the year	-	(186 818)
	886 765	**1 026 426**

The annual leave pay accrual consists of the valued leave as at reporting date, which accrues in terms of the Basic Conditions of Employments Act. The entity allows its employees to accumulate annual leave to a maximum of one year's allocation of 30 days annual leave per employee. The entity remains liable to pay out an amount equal to the leave balance at the current rate of remuneration.

13. Project liabilities

Community Benefit Sharing (CPA)@	48 722	1 098 722
Mzinti Conservation Fund@	171 494	165 261
Loskop Dam DFFE*	1 790 319	81 201
Mahushe DFFE*	1 635 498	4 231 418
Mthethomusha DFFE*	1 680 357	-
Songimvelo DFFE*	7 995 649	7 791 903
Bushbuckridge DFFE*	1 341 841	1 348 231
Tourism Monitors**	474 486	500 037
Universal Access projects***	8 176 618	7 979 508
Hospitality Youth Training Projects****	10 118 530	13 710 418
Youth Environmental Services (YES)	-	259 425
	33 433 514	**37 166 124**

@Relates to co-management with claimant communities where settlement and co-management agreements have been concluded.

*Relates to projects funded by external stakeholders (Department of Forestry, Fisheries and Environment DFFE) and the project funds are managed by the MTPA within the project management unit. Projects arise as and when a new project is approved per infrastructure assessment report.

**Funds from National Department of Tourism for tourism monitors learnerships project.
***Funds from National Department of Tourism to provide accessibility to visitors with disabilities at Blyde.
****Funds from National Department of Tourism for Hospitality Youth Training Projects.

14. Service concession - realisation of concession liabilities

Concession service - liabilities	2 832 338	3 540 423
Service Concessions - short term	(708 085)	(708 085)
	2 124 253	**2 832 338**

15. Contribution from owners

Closing balances from Mpumalanga Tourism Authority and Mpumalanga Parks Board	70 197 729	70 197 729

16. Group Entities

Name of company	Name of company interest 2021	Name of company interest 2020
The Nelspruit Development Trust	100.00%	100.00%
The Nelspruit Financing Trust	100.00%	100.00%

Although the entity does not hold any ownership interests in the above named trusts, it receives substantially all of the benefits related to their operations and net assets based on the terms of agreements under which these entities were established. The MTPA also controls these entities. Consequently, the entity consolidates these entities.

In the current year, Zithabiseni Resort and Centre was also consolidated.

17. Cost of sales

Sale of goods		
Cost of goods sold	42 480	785 064

Rendering of services		
Cost of services	1 161	8 500
	43 641	**793 564**

18. Sales of goods

Nursery	5 232	14 562
Permit sales	1 415 919	2 033 635
Hiking Trails	308 125	4 817 248
Zithabiseni - sales	230 735	851 049
	1 960 011	**7 716 494**

19. Rendering of services

Accommodation	2 079 032	5 495 824
Entrance fees	7 343 944	31 740 745
	9 422 976	**37 236 569**

20. Concession fees

Concessions	2 363 143	6 470 908

Concessions are private operators who render tourism services within the Group's reserves. The Group has a standard framework that governs the handling of private operators. As per the framework, the concessionaire is expected to pay the higher of; i) the minimum concession fee and ii) the variable concession fee for the period.

The variable fee percentage varies per concession and is dictated by the concession contract. Concessionaires pays the Group a monthly fee as per the contract. At the end of the financial year, using the concessionaire's Audited Annual Financial Statements, the fee applicable to have been as per the above formula is calculated.

Where the monthly fee resulted in the concessionaire having exceeded the calculated amount, the Group will reimburse the concessionaire. Where the monthly fee resulted in the concessionaire having paid less money during the year, the concessionaire will be billed the difference top-up fee. In both cases, the gross revenue receivable is adjusted accordingly in the Statement of Financial Performance.

21. Other operating income

Rental income	224 976	281 107
Recoveries	282 392	324 451
Wildlife income	206 325	2 190 568
Sundry income	9 462 318	5 997 524
Zithabiseni - Tuck-shop income	350 328	144 348
	10 526 339	**8 937 998**

Sundry income		
Department of Science and Technology (DST) funds	500 000	700 000
SANParks	5 958 450	1 316 645
Inkomati Usuthu Catchment Management Agency (ICMA)	7 750	86 749
Realisation on concession revenue	708 085	708 085
Other income	2 288 033	3 188 506
	9 462 318	**5 999 985**

**The above, with the exception of other income, represents transactions where the MTPA acts as an agent in a principal agent agreement. The MTPA is compensated directly from the principal, in the form of implementation fees for the services the MTPA provides on behalf of these principals. These represents exchange transactions.

No other revenues, expenses, assets and liabilities arose from the above transactions were recognised in the Statement of Financial Performance and Statement of Financial Position

22. Interest received

Interest received	892 365	2 246 075

23. Revenue from non-exchange transactions

Grant received	352 996 000	361 822 957
Conditional grants		
EPWP	2 858 000	2 397 000
SANBI	184 500	-
CATHSSETA	143 100	605 256
Assets donation in kind	2 628 114	58 602
	5 813 714	**3 060 858**

Revenue from non - exchange transactions

Zithabiseni - grant received	25 654 000	25 654 000

24. Employee related costs

Basic	237 017 564	231 871 914
Bonus	9 654 190	9 753 457
Medical aid - company contributions	18 239 425	17 639 494
UIF	1 079 062	1 102 927
Skills Development Levy	1 839 396	2 487 658
Provident fund	19 538 473	19 158 374
Group life	16 470 265	13 299 976
Overtime payments	9 526 769	11 323 152
Long-service awards	187 240	41 923
Leave paid and accrual	822 896	380 657
Pension fund (GEPF)	6 305 915	6 403 818
Performance Management Development Systems (PMDS)	-	8 195 264
	320 681 195	**321 658 614**

25. Repairs and Maintenance

Maintenance - Building	59 511	227 011
Maintenance - Computers	558 510	268 093
Maintenance - Equipment	113 706	20 760
Maintenance - Garden & Pest Control	312 319	69 345
Maintenance - Infrastructure	1 175 329	786 713
Maintenance - Motor Expenses	1 336 870	1 680 951
Maintenance - Offices	142 528	12 845
Zithabiseni - Repairs and Maintenance	1 933 984	166 898
	5 632 757	**3 232 616**

26. Impairment of assets

Property, plant and equipment	1 586 291	12 730 127

27. General expenses

Advertising	(58 754)	(186 214)
Animal feed	(58 480)	(2 710)
Auditor's remuneration external audit fees	(3 775 145)	(4 573 374)
Auditor's remuneration internal audit fees	(1 067 522)	(1 025 729)
Bank charges	(329 541)	(333 830)
Board emoluments and travelling allowance	(2 535 383)	(2 961 816)
Catering expenses	(18 539)	(185 400)
Cleaning and consumables	(1 312 815)	(1 327 922)
Courier and delivery costs	(710)	(473)
Conference and venues	-	(201 348)
COVID 19 - expenses	(3 107 048)	(30 379)
Discount allowed	-	(432)
Electricity	(6 341 377)	(5 899 557)
Gas bottle refill	(55 290)	(148 193)
General expenses	(250)	-
HR related costs	(12 545 247)	(19 092 030)
Insurance	(14 838)	(2 898 437)
Pastel evolution and VIP systems	(30 561)	(507 358)
Provision for bad debts	(3 509 220)	(1 295 617)
Loss on disposal of assets	(1 713 987)	(89 145)
Small tools	(44 774)	(60 678)
Motor expenses - fuel & oil	(2 718 791)	(5 747 573)
Legal costs	(5 209 114)	(2 256 315)
Operating lease rentals	(2 722 693)	(1 450 632)
Programme costs	(11 969 480)	(32 077 941)
Licence and registrations	(2 562 826)	(2 120 620)
Rates and taxes	(916 031)	(1 314 848)
Zithabiseni operating expenses	(2 313 788)	(5 546 717)

Expenditure on behalf of partnerships (DST; Gold view; ICMA; SANBI; and Cathsseta)	(13 103 442)	(9 429 684)
SARS administration fee	(170 478)	-
Printing and stationery	(358 476)	(483 572)
Security	(11 431 964)	(8 704 125)
Subscriptions	(2 862 776)	(4 336 284)
Telephone and fax	(2 207 066)	(2 520 262)
Travel - accommodation	10 730	(4 057 244)
	(95 055 676)	**(120 866 459)**

27. General expenses (continued)

Expenditure on behalf of partnerships (DST; Gold view; ICMA; SANBI; and Cathsseta)	(13 103 442)	(9 429 684)
SARS administration fee	(170 478)	-
Printing and stationery	(358 476)	(483 572)
Security	(11 431 964)	(8 704 125)
Subscriptions	(2 862 776)	(4 336 284)
Telephone and fax	(2 207 066)	(2 520 262)
Travel - accommodation	10 730	(4 057 244)
	(95 055 676)	**(120 866 459)**

28. Interest expense

Interest expense	223 983	684 155

29. Cash (used in) generated from operations

Deficit	(50 573 102)	(43 568 616)
Adjustments for:		
Depreciation and amortisation	36 978 107	36 750 874
Loss on discontinued operations	(708 085)	(708 086)
Loss/profit on disposal of assets	1 713 987	89 145
Assets donation	(2 868 112)	(58 602)
Bonus provision	(72 808)	-
Impairment loss - Building	1 586 291	12 730 127
Provision for short term service awards	8 067	-
Bad debts written off	-	28 963
Effect of 2016 non consolidation of Zithabiseni	32 949	-
Provision for long term service awards	187 240	(94 539)
Movement in provisions	(139 661)	193 839
Changes in working capital:		
Inventories	504 907	(389 782)
Receivables from exchange transactions	2 707 302	270 789
Other receivables from non-exchange transactions	594 262	2 417 902
Payables from exchange transactions	974 754	2 848 683
	(9 073 902)	**10 510 697**

30. Contingent liabilities

	Opening Balance 1 April 2020	Liabilities incurred during the year	The estimated financial exposure	Liabilities recoverable (Provide details hereunder	Closing Balance 31 March 2021
Claims against the Group					
Grand Valley Estate and 11 others	740 000 000	-	-	-	740 000 000
Inzalo/Boe	-	-	-	-	-
Tintswalo Lodges (pty) Ltd/ the MTPA - MVS/M461/347070	-	-	1 300 000	-	1 300 000
Tintswalo Lodges (Pty) Ltd / The MTPA and 11 Others - MVS/ M492/ 380821	-	-	1 100 000	-	1 100 000
Wildlife Close -Up (Pty) Ltd / The MTPA - MVS/ M490/ 360138	-	-	1 200 000	-	1 200 000
Hazyview Aerial Cable Trial (Pty) Ltd	-	-	300 000	-	300 000
Alleged cases	-	-	1 199 344	-	1 199 344
	740 000 000		**5 099 344**		**745 099 344**

The amount of **R740 million** relates to a Frederick Daniel and 11 others (plaintiffs) versus MTPA and 24 others – Case No: 34502/2010. The total claim by the plaintiff's amount to R1 094 330 740 of which R740 000 000 has been computed as a claim against MTPA in the issued summons. The matter is before the North High Court in Pretoria, which provides uncertainty about the amount claimed until the court makes a ruling.

Inzalo / BOE (Mpakeni Reserve Account)

There is a civil suit against the Group by Inzalo for the cancellation of a head lease at Mthethomusha Nature Reserve (Bongani Lodge). This matter has not pursed for a considerable period. The legal costs for this claim is not known at this stage.

Tintswalo Lodges (pty) Ltd/ the MTPA - MVS/M461/347070

This was an application in the Mpumalanga High Court to stay arbitration proceedings between the Mpumalanga Provincial Government and the Tintswalo Lodges in respect of Tintswalo's concession agreement in the Manyeleti Nature Reserves.
The application also sought to have said arbitration proceedings referred to the High Court for trial instead of the proceedings Continuing before the arbitrator. The MTPA opposed the application as the third respondent.

Tintswalo Lodges (Pty) Ltd / The MTPA and 11 Others - MVS/ M492/ 380821

This is an application in the Land Claims Court to set aside the recently concluded land settlement agreement in the Manyeleti Nature Reserve. The MTPA is cited as the 8th respondent in the matter.

Wildlife Close-Up (Pty) Ltd / The MTPA - MVS/ M490/ 360138

This was an application in the Mpumalanga High Court for an interdict by the applicant (the holder of a short-term concession agreement with the MTPA at the Manyeleti Nature Reserve in respect of the Ndzhaka and Buffelshoek camps) against the sixth to twelfth respondents.

Hazyview Aerial Cable Trial (Pty) Ltd

MTPA was served with a High Court application under no. 1401/2020 Mpumalanga Division: Mbombela, on 29 July 2020. The dispute between the parties arose within the context of a tender process but the relief sought against the MTPA has been limited to an order interdicting and restraining it from infringing the copyright of the Applicant, together with an
enquiry into damages.

Alleged cases

- An employee is claiming a sum of R1 075 398.27 against the MTPA allegedly for breach of his employment contract occasioned by incorrect calculation and/or payment of the disability benefit.
- An employee has sued the MTPA in essence for "equal pay for work of equal value". His cause of action emanates from the job grading and placement of 2010 and 2014. He contends that he should be at level C5 not C3 and thereof should be paid the difference since 2009 with interest as it was done with his peers. The MTPA disputes that he was wrongly placed at C3 and has based its contention in this regard on the outcome of the independently conducted job grading exercise, which informed the placement that took place.
- An employee of the MTPA, declared a labour dispute with the MTPA pertaining to an alleged unfair labour practice of demotion. He eventually took the matter to the CCMA, Mpumalanga (Nelspruit) for adjudication. On 22 December 2020, the CCMA has ruled in his favour ordering the MTPA to pay him an amount of R123 946.35 on or before 31 January 2021; and reinstate him as the Reserve Manager. The MTPA is disputing the amount of R123 946.35.
- The Plaintiff has launched a case at the labour court of South Africa against the MTPA due to his dismissal and arbitration reward awarded against him at the CCMA. This case has not been pursued in a long time.

31. Related parties

The MTPA was established by the Mpumalanga Provincial Government, to promote Mpumalanga as a tourism destination in the local and international markets, as well as, for biodiversity conservation. The MTPA reports directly to the Department of Economic Development and Tourism (DEDT).

Nelspruit Development Trust and Nelspruit Financing Trust are controlled entities as the majority of the trustees are former MTPA board members, there are no related party transactions.

Executive Management and Board Members (refer to note 30) are also considered to be related parties to the MTPA. The Executive Management Committee consist of:

Chief Executive Officer	Mr. Nobunga BJ
Chief Financial Officer	Mr. Vilakazi MH (Appointed 01 October 2020)
Acting Chief Financial Officer	Ms. Baloi N (01 August 2018 to 30 September 2020)
Executive Manager: Corporate Service	Mr. Mahlangu AN
Executive Manager: Biodiversity Conservation	Mr. Mugwabana F
Executive Manager: Tourism	Mr. Mthethwa X (resigned 31 May 2020)
Acting Executive Manager: Tourism	Ms. Buthelezi B
Acting Executive Manager: Tourism	Mr. Mahlangu M
Acting Executive Manager: Tourism	Ms Dlamini S
Executive Manager: Commercialisation	Ms. Qutywa P
Acting Company secretary	Mr. Mogale DC (Appointed 01 February 2021)

Executives Management Committee Remuneration

	Acting Allowance	Salary	Travel and Subsistence	Other benefits***	Total
Chief Executive Officer	-	2 205 890	29 697	24 000	2 259 587
Chief Financial Officer*	-	729 081	9 225	12 000	750 306
Acting Chief Financial Officer#	115 105	-	-	-	115 105
Executive Manager: Corporate Services	-	1 499 998	4 887	24 000	1 528 885
Executive Manager: Biodiversity Conservation	-	1 502 313	57 567	24 000	1 583 880
Acting Executive Manager:Tourism**	67 090	-	-	-	67 090
Acting Executive Manager:Tourism@@	61 710	-	-	-	61 710
Acting Executive Manager:Tourism##	20 543	-	-	-	20 543
Executive Manager:Tourism@	-	363 238	-	4 000	367 238
Executive Manager: Commercialisation	-	1 515 631	7 204	24 000	1 546 835
Acting Company Secretary****	-	198 610	-	-	198 610
	264 448	**8 014 761**	**108 580**	**112 000**	**8 499 789**

Ms Baloi N - Acting from 01 August 2018 to 30 September 2020.
* Mr. Vilakazi MH - Appointed 01 October 2020
@ Mr Mthethwa X - Contract ended
** Mr Mahlangu MM - Acting from June 2020 to September 2020
@@ Ms Buthelezi B - Acting from October 2020 to February 2021
Ms Dlamini S - Acting from March 2021 to date
*** Other benefits comprises of cellphone allowance
**** Mr Mogale - Appointed 01 February 2021

Related party balances

Amounts included in Trade Payable regarding related parties

Department of Justice	3 357 105	-
	3 357 105	-

The balance relate to a claim (Fred Daniel's case) lodged against various Mpumalanga Provincial Government Departments and Public Entities including MTPA amounting to R740 million. The total amount owing to the Department of Justice relating to this case is R3 357 105

Related party transactions

Grant received	332 996 000	361 822 957
Conditional grant - Expanded Public Works Programme (EPWP)	2 858 000	2 397 000
Grant received - Zithabiseni	25 654 000	25 654 000
Tourism Recovery Plan	10 000 000	-
Covid19 Relief Fund	10 000 000	-
	381 508 000	**389 873 957**

32. Board Members and Executive Management Emoluments

Board members

2021

	Cell phone Allowance	Fees	Travel and Subsistence	Total
Mr. Nzima TJ (Chairperson)	9 000	442 918	11 507	463 425
Ms. Shabangu Mndawe NR (Deputy Chairperson)	9 000	267 531	4 824	281 355
Ms. Mzuzu NB	9 000	185 892	6 951	201 843
Ms. Nkambule TB	9 000	116 305	68	125 373
Mr. Gololo CL	9 000	134 004	5 481	148 485
Mr. Mthombeni SG	9 000	144 632	4 677	158 309
Ms. Makhathini SFS	9 000	155 156	191	164 347
Ms. Sekhitla JS	9 000	137 599	12 718	159 317
Dr. Magome DT	9 000	202 350	20 007	231 357
Mr. Keetse TF	9 000	225 250	23 291	257 541
Ms. Maseko M	6 000	21 190	-	27 190
Dr Mabunda	6 000	14 120	-	20 120
	102 000	**2 046 947**	**89 715**	**2 238 662**

2020

	Cellphone Allowance	Fees	Travel and Subsistence	Total
Mr. Nzima TJ (Chairperson)	11 000	612 244	64 887	688 131
Ms. Shabangu Mndawe NR (Deputy Chairperson)	11 000	355 259	18 692	384 951
Ms. Mzuzu NB	11 000	205 244	14 857	231 101
Ms. Nkambule TB	11 000	127 420	11 035	149 455
Mr. Gololo CL	11 000	159 240	13 511	183 751
Mr. Mthombeni SG	11 000	120 608	65 905	197 513
Ms. Makhathini SFS	11 000	74 387	8 828	94 215
Ms. Sekhitla JS	11 000	153 104	21 535	185 639
Dr. Magome DT	11 000	170 121	72 081	253 202
Mr. Keetse TF	11 000	203 828	48 874	263 702
Ms. Maseko M	11 000	61 095	3 286	75 381
Mr. Venter F	11 000	28 450	13 757	53 207
	132 000	**2 271 000**	**357 248**	**2 760 248**

Audit Committee

2021

	Cellphone Allowance	Fees	Total
Ms Mvulane P (Chairperson)	9 000	156 950	165 950
Mr. Mthembu S	9 000	77 560	86 560
Mr. Zakwe M	9 000	35 210	44 210
	27 000	**269 720**	**296 720**

2020

	Cellphone Allowance	Fees	Travel and Subsistence	Total
Ms Mvulane P (Chairperson)	11 000	88 993	2 314	102 307
Mr. Mthembu S	11 000	63 741	1 394	76 135
Mr. Zakwe M	11 000	11 601	526	23 127
	33 000	**164 335**	**4 234**	**201 569**

Total Board Emoluments		
Total board emoluments	2 238 662	2 760 248
Total audit committee remuneration	296 720	201 569
Travel and accommodation	89 741	2 319 202
	2 625 123	**5 281 019**

Executive Management Committee Remuneration

2021

	Acting Allowance	Salary	Travel and Subsistence	Other benefits***	Total
Chief Executive Officer	-	2 205 890	29 697	24 000	2 259 587
Chief Financial Officer*	-	729 081	9 225	12 000	750 306
Acting Chief Financial Officer#	115 105	-	-	-	115 105
Executive Manager: Corporate Services	-	1 499 998	4 887	24 000	1 528 885
Executive Manager: Biodiversity Conservation	-	1 502 313	57 567	24 000	1 583 880
Acting Executive Manager:Tourism**	67 090	-	-	-	67 090
Acting Executive Manager:Tourism@@	61 710	-	-	-	61 710
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Executive Manager:Tourism@	-	363 238	-	4 000	367 238
Executive Manager: Commercialisation	-	1 515 631	7 204	24 000	1 546 835
Acting Company Secretary	-	198 610	-	-	198 610
	264 448	**8 014 761**	**108 580**	**112 000**	**8 499 789**

\# Ms Baloi N - Acting from 01 August 2018 to 30 September 2020.
* Mr Vilakazi MH(Appointed 01 October 2020)
@ Mr Mthethwa X - Contract ended 31 May 2020
** Mr Mahlangu MM - Acting from June 2020 to September 2020
@@ Ms Buthelezi B - Acting from October 2020 to February 2021
\## Ms Dlamini S - Acting from March 2021 to date
*** Other benefits comprises of cellphone allowance
****Mr Mogale DC - Appointed 01 February 2021

2020

	Acting Allowance	Salary	Travel and Subsistence	Other benefits****	Total
Chief Executive Officer	-	2 133 201	109 813	24 000	2 267 014
Chief Financial Officer**	-	620 451	-	10 000	630 451
Acting Chief Financial Officer*	178 871	-	-	-	178 871
Executive Manager: Corporate Services	-	1 484 152	60 545	24 000	1 568 697
Executive Manager: Biodiversity Conservation@	-	1 494 299	119 527	24 000	1 637 826
Executive Manager: Commercialisation	-	375 512	-	-	375 512
Executive Manager: Tourism	-	1 490 524	62 402	24 000	1 576 926
Acting Executive Manager: Commercialisation@@	202 616	-	-	-	202 616
Company Secretary	-	320 372	-	1 500	321 872
Acting Company Secretary	28 122	-	-	-	28 122
	409 609	**7 918 511**	**352 287**	**107 500**	**8 787 907**

* Chief Financial Officer was seconded to DEDT from 01 July 2017 and resigned 31 August 2019.
** Discharged on the 01 June 2019.
\# Ms Baloi N Acting from 01 August 2018 to date.
@@Acting Executive Commercialisation appointed 01 August 2018 to December 2019.
@@@ Appointed in 01 January 2020.
*** Mr B Malaza Acting from 24 July 2019 to 29 February 2020
**** Other benefits comprises of cellphone allowance

33. Risk management

Financial risk management

The Group’s activities expose itself to a variety of financial risks: market risk (including, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group has an approved risk management framework and has implemented a risk management register to mitigate identified risks.

The Group's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Group’s financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management and policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment

Liquidity risk

The Group's is exposed to liquidity risk as a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments. The Group manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Cash flow forecasts are prepared and are monitored.

The table below analyses the Group’s financial liabilities into relevant maturity groups based on the remaining period at the date of the Group Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions and payables from non-exchange transactions	23 700 307	-	-	-
Payables for long service awards	123 178	-	-	945 173
Trade and other payables	886 765	-	-	-
Service concession liabilities	-	-	-	2 124 253
	24 710 250			**3 069 426**

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions and payables from non-exchange transactions	24 790 635	-	-	-
Payables for long service awards	95 938	-	-	855 172
Trade and other payables	1 026 557	-	-	-
Service concession liabilities	-	-	-	2 832 338
	25 913 130			**3 687 510**

Market risk

Market risk is the risk that changes in certain market prices, such as interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest risk

As the Group has no significant variable interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The company is exposed to credit risk on financial assets, mainly attributable to cash deposits, cash equivalents and trade debtors.

The financial assets carried at cost exposes the entity to credit risk. The values of the maximum exposure to credit risk are as follows for each class of financial asset at cost.

Financial instrument	2021	2020 Restated*
Receivable from exchange transactions	9 378 792	9 877 963
Cash and cash equivalents	52 654 581	68 940 122

Ageing of debtors at the reporting date:

Account	Balance as at 31 March 2021 Rand	Impairment	Balance as at 31 March 2020 Rand
0 - 30 days	1 297 792	-	5 292 126
30 - 60 days	159 480	-	695 000
60 - 90 < days	217 031	-	141 323
90 - 120 days	107 836	-	166 698
> 120 days	6 517 163	(6 517 163)	3 505 039
Zithabiseni - 0-120 days	-	-	37 118
	8 299 302	**(6 517 163)**	**9 837 304**

Concentration of Credit Risk

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade debtors.

The Group limits its counter party exposure from its money market investment operations by only dealing with well-established financial institutions of high quality standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

34. Fruitless and wasteful expenditure

Opening balance as previously reported	3 978 633	3 275 754
Interest expense on outstanding accounts*	1 716	602
CFO's salary**	-	630 451
Travel arrangement not honored***	-	71 826
Less: Amount written off - prior period****	(820 891)	-
Closing balance	**3 159 458**	**3 978 633**

* Interest charged by suppliers due to late payments on their account in respect of the financial year audit as a result of unavailability of funds to pay the full outstanding amount

** Chief Financial Officer was seconded to DEDT from 01 July 2017 to 31 August 2019. The entity had an acting CFO that held the same position whilst the CFO was seconded to the Department.

** Travel arrangement not honored due to Visa application not approved timeously, written off and approved.

**** The amount of R820 891 was approved by the board as written off.

35. Commitments under operating leases

The MTPA rents various photocopier machines from Ricoh as well as an administrative building from Primkop Airport Management (Pty) Ltd.

Minimum lease payments under operating leases recognised as an expense during the year	1 340 521	4 767 680
Operating leases office rental and equipment		
- payables within 1 year	1 133 066	2 106 275
- payables between 2 and 5 years	276 656	1 402 198
	1 409 722	**3 508 473**

A new contract was entered into with Primkop Airport for a period of two years ending 31 December 2022. A new contract was entered into with Ricoh for the rental of photocopier machines for a period of three years ending on the 30 September 2021, after the contract of Nashua Lowveld expired. The Ricoh contract has no escalation applicable in the duration of the contract. The contract has an option to be renewed. There were no defaults or breaches of the contractual terms of the leases during the financial year.

None of the trade and other receivables have been pledged as security for liabilities or contingent liabilities

36. Irregular expenditure

Opening balance as previously reported	63 302 752	46 522 787
Add: Irregular Expenditure current year	14 835 836	16 779 965
Closing balance	**78 138 588**	**63 302 752**

Analysis of closing balance		
Current year	14 835 836	16 779 965
Prior years	63 302 752	46 522 787
	78 138 588	**63 302 752**

The irregular expenditure incurred during 2017/18; 2018/19 and 2019/20 were investigated. The investigation reports were received. The MTPA is in a process of implementing the recommendations and application for condonation of the contraventions.

Details of Irregular Expenditure in the current period

Due to SCM non-compliance	1 764 777	5 192 940
SCM procurement process not followed	132 847	3 475 901
Service rendered without a Purchase Order	-	132 250
Expenditure exceeded contractual value	250 212	1 242 571
Contracts on a month to month	12 688 000	6 736 303
	14 835 836	**16 779 965**

37. Commitments

Capital expenditure

• Approved and Contracted	533 778	2 664 609

Operational expenditure

• Approved and contracted	23 631 791	22 663 790

Commitments represents contractual obligations for goods and services as at 31 March 2021. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance. These are merely disclosed in this note.

38. COVID-19 response expenditure

Compensation of employees	-	-
Goods and services	3 107 048	30 379
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Other	-	-
	3 107 048	**30 379**

The Covid-19 pandemic and the related declaration of a national disaster, lockdown and associated negative economic effects has raised significant uncertainty in regard to future transactions. Management has made judgements and estimates and determined risks with regard to the impact on its going concern based on estimates and information available to it up to the date of issue of the Financial Statements.

39. Retirement benefit obligations

Defined contribution plan

The Group is a participating employer in the Government Employees Pension Fund (GEPF). The Group became a participative employer in 2006 with the inception of the Group as a result of employees that were transferred from Government departments, i.e. DALA and Limpopo Province to the Group. The employer's contribution paid is 13% as this was the percentage employer contribution that was paid by these Government departments upon transfer of these employees to the Group.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The entity accounts for this defined benefit state plan as a defined contribution plan, as there is no consistent and reliable basis for allocating the obligation, plan assets and costs to the individual employers to actuarial risks associated with the current and former employees of other employers participating in the plan.

MTPA GEPF Fund	6 305 915	6 403 818

40. Prior period errors

During 2021 the Group discovered the following

- Prepaid Subscription fees for 2021 had been erroneously recorded in its financial statements for 2020. As a consequence subscription fees have been overstated and the related asset have been understated as it should have been recorded as a pre-payment.
- Motor Expenses for 2019 was not yet recorded in its financial statement. As a consequence Motor Maintenance expense and Creditors was understated, and Sundry income was overstated with the payment received for the difference between final service fee and payment made.
- Tourism branding activities for 2019 was not yet recorded in its financial statement. As a consequence Tourism Branding expenses and Creditors was understated.
- Correction of 2018/2019 concession variables calculations.
- Revenue transactions for permits, Entrance fees and Recoveries were recorded in the incorrect financial year. As a consequence Revenue and Receivables was understated
- Legal fees relating to the Barberton Mines Road building not recorded in the 2020 Annual Financial statements for Richard Spoor. Accordingly, legal expenses and Creditors were understated.
- Correction on work in progress.
- The errors have been corrected by restating each of the effected financial statement line items for prior periods. The following tables summarise the impacts on the Entities financial statement.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Decrease in receivables from exchange transactions	-	420 350
Decrease in PPE	-	1 932
Decrease in payables from exchange transactions	-	92 436
Decrease in deficit for the year	-	98 288
Decrease in Work in progress	-	316 624
Decrease in accumulated deficit	-	432 515
Long term - Concession liabilities	-	(708 085)
Short term - Concession liabilities	-	708 085
Increase in payables from exhange transaction	-	(3 795)
Net effect on the retained earnings	-	**1 358 350**

Statement of financial performance

Increase in Revenue from exchange transactions	-	9 185
Decrease in expenditure	-	89 103
Net effect on the retained earnings	-	**98 288**

41. Going concern

The Group is solvent and liquid. As a going concern, its total assets exceeds its total liabilities and its current assets exceeds its current liabilities. The Group's net asset value of R 623 781 025 (**Restated 2020:** R674 354 126) and net current asset value of R 167 646 (**Restated 2020:** R 17 377 520).

The Group's operations are financed through the grant received from the Department of Economic Development and Tourism ("the Department"). The grant allocation for the 2020/21 financial year has decreased from R476.5 million to R389.5 million, which is made up of R368 million in grant funding and Expanded Public Works Programme (EPWP) of R2.8 million. Over and above this, the Entity continues to receive support from the Department of Forestry, Fisheries and Environment (DFFE) and the National Department of Tourism (NDT) on special projects. These projects will benefit the Group in that the infrastructure upgrades will continue as planned to ensure an improved condition to some of the infrastructure.

42. Events after the reporting date

The MTPA employees who are members of the National Education, Health and Allied Workers Union (NEHAWU) embarked on an industrial action from the 6th of April to 23rd of April 2021. The industrial action brought limitations of access to the offices, disturbing reporting of the fourth quarter performance and financial information.

The MTPA Management has determined that these events are non-adjusting events. The financial position and results of operations for the year ended 31 March 2021 have not been adjusted to reflect their impact.

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