



“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.” - Nelson Mandela

A Mural at the Nelson Mandela Museum

*Mandela grew up and went to school in the village of Qunu
Photo: Rodger Bosch, MediaClubSouthAfrica.com*



1 Introduction

The Board is the designated Accounting Authority of the ECPTA and governs the entity in accordance with the provisions of the Eastern Cape Parks and Tourism Agency Act 2 of 2010 and the Public Finance Management Act 1 of 1999 (as amended) (PFMA). The Board also strives to

comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of the King IV report on corporate governance

2 Portfolio Committees

The Agency engaged with the Portfolio Committee for Economic Development, Environmental Affairs and Tourism twice during the year under review. There were no major issues raised during the engagements.

The engagements took place on 9 May 2017 and, 9 November 2017

There were no major issues raised during the engagements. The Portfolio Committee identified Township tourism and the interaction between the Office of the Premier and the Agency on branding issues as requiring attention.

3 Executive Authority

The Executive Authority engaged with the Agency through two formal meetings in the year under review. There were no major issues raised in these meetings. The Executive Authority supported the work of the ECPTA by attending

and participating in a range of events, including trade shows, the annual game auction, the Biodiversity Economy Indaba, the Lilizela Awards, and a donor funding event.

4 The Accounting Authority / Board

4.1 Introduction

The fiduciary duties and general responsibilities of the Accounting Authority are prescribed by Sections 50 and 51 the PFMA. The Board of Directors further ensures that its obligations in terms of the relevant legislation, including the PFMA are effectively discharged.

The Board is responsible for the appointment of Executive Managers, including the Chief Executive Officer. It is also

responsible for identifying risk areas and retaining full and effective control over the strategic operations of the Agency.

In summary, the Board gives strategic direction to the Agency, is responsible for the performance of the Agency, and is accountable to the MEC for the performance of the Agency. The Board is bound by a Charter, adherence to which is monitored on an ongoing basis.





4.2 Composition of the Board

The Board is composed of at least seven non-executive members appointed by the Executive Authority. The Chief Executive Officer serving in an ex-officio capacity with no voting powers. The Board meets at least quarterly. The Board monitors the performance of the Executive Management by ensuring that all material matters are subject to Board approval and that the mandate of the ECPTA is carried out in an efficient and effective manner. The Executive Management attends Board meetings by invitation.

The Chairperson provides leadership and guidance to the Board and encourages proper deliberation of all matters requiring the Board's attention, and obtains optimum input from the other members. All committees of the Board are chaired by non-executive members of the Board with the exception of the Audit Committee which is chaired by an independent person.

The ECPTA Board of Directors is composed of at least seven Non- Executive Directors which are listed below. Two members resigned during the year under review:

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	No. of Meetings attended ¹
Ms V Zitumane	Chairperson of the Board	1 June 2012 reappointed 1 December 2015	August 2017	B Juris, BA (Honours in Development Studies) [Cum Laude], Masters in Business Administration (MBA), Senior Management Programme	Tourism	Total Client Services and Joe Gqabi Development Agency	2
Mr S Mgxaji	Acting Chairperson of the Board from November 2017-to date	1 June 2012 reappointed 1 December 2015	N/A	BA and LLB	Labour Relations	Allf Attorney Insurance Fund	4
Dr A Muir	Chairperson of Operations Committee	1 June 2012 reappointed 1 December 2015	N/A	Honoris Causa Doctor of Social Science, Masters in Environment and Development	Biodiversity	The Wilderness Action Group, Open Africa, Conservation Council of Nations, International Conservation Caucus Foundation, Nelson Mandela University Business School	4

¹ Including special board meetings and teleconferences





Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	No. of Meetings attended
Ms T Tsengiwe	Chairperson of Marketing Committee	1 June 2012 reappointed 1 December 2015	August 2017	Bachelor of Journalism, Masters in Business Administration (MBA)	Tourism and Marketing	Nil	1
Ms T Putzier	Chairperson of Marketing Committee	1 Sept 2017	N/A	BCom, Post Graduate Diploma in Business Administration	Tourism and Marketing	Nil	2
Mr S Ncume	Chairperson of HR & Remuneration Committee	1 December 2015	N/A	Bachelor of Philosophy (MPHIL) LLB, Bachelor of Arts (BA), Higher Diploma in Business Management	Representing the Public	Nil	4
Ms M Mama	Member of Operations & Marketing Committee	1 Dec 2015	N/A	B Com, B Com (Honours) and Masters of Business Management (MBA)	Representing the Shareholders	Nil	4
Ms P Yako	Member of Finance & Investment	1 December 2015	N/A	Masters of Business Leadership (MBL), Diploma in Labour Law and B Com	Finance	Nil	3
Mr Z Fihlani	Chairperson of Finance & Investment	15 August 2017	N/A	M. Com (Tax), Higher Diploma in Tax Law, Higher Diploma in International Tax Law, CA (SA), B. Compt (Hons), B Com in Accounting, Bridging Course	Finance	Nil	2

There are no alternate members.

The term of the current Board lapses on 30 November 2018.





4.3 Committees

The Accounting Authority established seven subcommittees execute its strategic functions.

Committee	Purpose	No. of meetings	No. of members	Names
HR & Remuneration Committee	Attends to matters concerning the Human Resource policies and practices of the ECPTA, performance management and remuneration	4	3	Mr S Ncume Mr Z Fihlani Ms T Putzier
Finance and Investment Committee	Advises the Board on all material and significant financial matters presented by the Executive Management, either as directed by the Board or on the Executive Management's initiative.	4	3	Mr Z Fihlani Ms P Yako Dr A Muir
Operations Committee	matters relating to the management of the Nature Reserves assigned to the ECPTA, it advises and makes recommendations to the Board on the application of both science and ethics of conservation and environmental management policies within the Nature Reserves, and also has some input into the commercialisation and marketing strategies of the Board as a whole	4	3	Dr A Muir Ms P Yako Ms M Mama
Marketing Committee	The key focus areas of the committee for the year under review were the implementation of the approved marketing strategies	4	3	Ms T Putzier Ms M Mama Mr S Ncume Ms T Tsengiwe (resigned in August 2017)
Audit and Risk Committee	Report and make recommendations to the Board on the effectiveness of corporate governance Internal controls and risk management within the ECPTA, oversee the internal Audit function and to comment on and evaluate the annual financial statements of the ECPTA	4	Non-Board members 3	Mr C Sparg Ms T Semane Mr S Dzengwa
EXCO		0	2	

4.4 Remuneration of Board Members

The ECPTA Board of Directors is remunerated according to its Subsistence and Travel Policy which was approved by the MEC. Members' remuneration details, including other expenses, are included in the Annual Financial Statements for the year ended 31 March 2018.

The official that is employed by DEDEAT to serve as an ex-officio member is not remunerated by ECPTA.





5 Risk Management

The Agency's Risk Management Policy, which was originally approved in August 2011, was updated in November 2017. The accompanying Risk Management Framework was also updated, providing a refreshed reporting module for strategic risks.

The management of risk within ECPTA takes place at both the strategic and departmental levels.

Strategic risks were assessed by management on a quarterly basis, and reports submitted to the Audit and Risk Committee for input and guidance. By the end of the financial year, one strategic risk was deemed to have matured, and can be operationalised. Two new risks have emerged as a result of the new strategic direction adopted by the Agency, and will be included in the strategic risk register for 2018/19.

In terms of the Risk Management Policy, the Risk Management Committee (RMC) advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. Quarterly Enterprise Risk Management reports are prepared by the RMC and submitted

The third annual Risk Management Maturity Assessment was conducted in the 4th quarter of 2017/18. The assessment provides a foundation on which to build improvements in management practices to enhance the reliability, consistency and efficacy of risk management across ECPTA. On a scale of 0 – 6 (least to most mature), ECPTA was assessed at a Level 5. Areas flagged for attention will inform the content of the 2018/19 Risk Management Intervention Plan.

6 Internal Control Unit

During the year under review, the Internal Control unit's work included the following activities:

- Monitoring compliance of the approved Internal Audit Plan.
- Follow-ups on recommendations as per Internal Audit Plan and Internal Audit Reports 2016/17 Financial Year
- Ensure efficient and effective audit of the entire organisation by the Auditor-General
- Prepare monthly and quarterly AG Management Letter Action Plan and present to the Audit and Risk Committee
- Review and assist on implementation of system, policies, and procedure manuals
- Conduct 100% Pre-Audit on supply chain management transactions
- Prepare Quarterly PFMA and NTR Checklist
- Prepare Electronic Audit Readiness File for 2017/18 Annual A-G Audit
- Perform test of controls as per Internal Control Plan
- Conduct Fraud Awareness Workshop





7 Internal Audit and Audit Committees

Internal Audit is an independent appraisal function established by the Board to evaluate the adequacy and effectiveness of internal controls, disciplines, systems and procedures within ECPTA in order to reduce business risks to an acceptable level in a cost effective manner. The Internal Audit function of the ECPTA performs this purpose.

Internal controls are understood to mean the processes aimed at achieving reasonable assurance about the realization of the following:

- The accomplishment of established objectives and goals for operations and programme;
- The economical and efficient use of resources;
- The reliability and integrity of financial and non-financial information;
- Compliance with relevant policies, procedures, laws and regulations; and
- Safeguarding of assets.

The responsibility of the Internal Audit Function is to conduct activities in accordance with the Institute of Internal Auditors Code of Ethics and the Standards for the Professional Practice of Internal Auditing.

Internal audit performs the following functions:

- Evaluating the ECPTA's governance processes including ethics, especially the "tone at the top";
- Performing an objective assessment of the effectiveness of risk management and internal controls; and
- Systematically analysing and evaluating business processes and associated controls.

The Audit and Risk Committee's main objective and purpose is to assist the Board to discharge and fulfil its oversight responsibilities

In carrying out its duties and responsibilities, the Audit and Risk Committee shall include the review of items highlighted by internal auditors and the external auditors in order to provide the necessary assistance to the CEO and the Board on the following:

- Internal control
- Financial statements
- Internal Audit
- External Audit
- Risk Management
- ITC operations

AUDIT COMMITTEE MEMBERS

In compliance with section 27 of the National Treasury Regulations, the Board has established an Audit Committee comprising of three independent members namely; Mr C Sparg, as Chairperson and Ms T Semane and Mr S Dzengwa as members.

The Audit Committee operates under a Charter which has been approved by the Board. The primary responsibility of the Audit Committee is to report and make recommendations to the Board on the effectiveness of corporate governance internal controls and risk management within the ECPTA, oversee the internal Audit function and to comment on and evaluate the annual financial statements of the ECPTA. The Chairperson of the Audit Committee attends Board Meetings by invitation.





Name	Qualifications	Internal or external	Date appointed	Date Resigned	#. of Meetings attended
Craig Sparg	BCom, CTA, CA (SA)	External	1 April 2015 Reappointed 1 April 2017	N/A	5
Thembeke Semane	CAIB (SA), B.Com in Accounting, Customer Care Diploma, Post Graduate Diploma in Business Administration	External	1 April 2017	N/A	4
Simphiwe Dzengwa	Certificate in Development Finance, MBA, MPA, Bachelor of Arts Honours, Bachelor of Arts	External	1 April 2017	N/A	4

8 Compliance with Laws and Regulations

The ECPTA strives to comply with all relevant laws. The Agency has adopted a compliance tool with which to track compliance.

9 Fraud and Corruption

Fraud is intentional misrepresentation that causes prejudice to another. i.e. one individual deceives another to obtain something not legally due. Fraud is also described as an illegal act characterised by deceit, concealment, violation of trust.

ECPTA adopts a zero tolerance stance towards fraud and corruption.

The ECPTA Fraud Prevention Policy was reviewed during the year. The Board approved the reviewed policy in November 2017. The Internal Control unit developed an accompanying Fraud Prevention Plan. Deloitte & Touche provides and monitors an anonymous ethics and fraud reporting hotline. The service provider compiles reports for the attention of the CEO and CFO. Cases are investigated and the status of the cases and sanctions is communicated to the Audit and Risk Committee and Board.

The Internal Control unit updates progress against the fraud prevention plan on a quarterly basis. The Audit and Risk Committee engages with these reports and submits them to the Board for noting.





11 Minimising Conflict of Interest

The Board of Directors are required and encouraged to declare their personal and business interests on an annual basis and in every board meeting. All employees on C2 and above are required to declare their interests by completing the annual declaration of interest forms. Employees at lower levels are encouraged to declare their interests as and when required.

12 Code of Conduct

The ECPTA subscribes to the Code of Ethics that was approved by its Board of Directors. It is a policy document containing the rules and standards that govern the conduct of employees and stakeholders. It provides guidance as to the expected ethical behaviour.

13 Health Safety and Environmental Issues

The ECPTA is required to comply with the Occupational Health and Safety (OHS) Act 85 of 1993 together with other applicable legislation. Herewith reflected are the initiatives undertaken for the year under review:

- Legal appointments have been done – refresher / training scheduled for 2018/19
- OHS committees are in place however due to staff changes at 4 out of 15 reserves new committees are having to be elected.
- OHS Standards are in place
- Incident Procedure is in place and Standard Operating Procedures are being reviewed.
- OHS policy is in place and communicated
- Risk Assessment and inspections have been conducted and are controls are being reviewed to ensure adequate controls are in place.
- Injury on duty investigation and prevention measures are followed





15 Company / Board Secretary

Xoliswa Mapoma, the Board Secretary, assists the Board in the execution of its fiduciary duties.

16 Social Responsibility

Two full time bursary opportunities have been provided for two female students from communities bordering the Mkhambathi Nature Reserve towards a tertiary qualification in conservation (R167 500).

A one-year learnership programme (value R 630 000) for fifteen students to study a National Certificate in Nature Conservation: Resource Guardianship NQF2 was completed in July 2017. Youth from the local communities surrounding ECPTA reserves were selected. The group included 7 females and 8 males.

A one-year conservation internship programme (value R546 000) for fifteen students (8 females and 7 males primarily from rural areas) was completed in July 2017.

Forty-two work integrated tourism students were afforded six months workplace learning opportunities. (value R810 000) .

One hundred and thirty five learners were employed on a one year Youth Environmental Programme (YES) as well as twenty-six environmental monitors from November 2017 with particular focus on local communities adjacent to ECPTA reserves

As part of the change management programme employees provided monetary donations for sanitary towels for the Sange Child and Youth Care Centre, East London.

