



March 2015

**BUDGET ANALYSIS VOTE 18: CORRECTIONAL SERVICES:
Summary and Analysis of the 2015/16 Budget and Annual Performance Plan
(APP) of the Department of Correctional Services (DCS)**

1. INTRODUCTION

The aim of the Department of Correctional Services (DCS) is to contribute to maintaining and protecting a just, peaceful and safe society by enforcing court-imposed sentences; detaining inmates in safe custody while maintaining their human dignity and developing their sense of social responsibility; and promoting the general development of all inmates and persons subject to community corrections. The Department’s vision is to be one of the best service providers in the world by delivering correctional services with integrity and commitment to excellence.¹

The mission of the Department is to contribute to a just, peaceful and safer South Africa through:

- Effective and humane incarceration of inmates; and
- Rehabilitation and social reintegration of offenders.²

This paper provides:

- An overview of the DCS budget allocation in comparison to the allocations for the Justice, Crime Prevention and Security (JCPS) Cluster;
- A summary of key audit findings made during the 2013/14 financial year, which is relevant to an analysis of the 2015/16 Vote and Annual Performance Plan (APP);
- An overview of expenditure trends for the DCS Vote in 2014/15;
- An analysis of broad allocations as well allocations to each of the five programmes (and their sub programmes) contained in the Vote in terms of the 2014/15 expenditure patterns, and the targets as outlined in the 2015/16 APP of the DCS; and
- Outline of the response of the Minister of Finance to the 2014/15 Budgetary Review and Recommendation Report (BRRR) of the Portfolio Committee on Correctional Services.

¹ DCS Strategic Plan (2012/13-2016/17)
² DCS Strategic Plan (2013/2014-2016/2017)



2. THE CORRECTIONAL SERVICES BUDGET IN CONTEXT

The Department of Correctional Services consist of the following five programmes:

- Administration;
- Incarceration;
- Rehabilitation;
- Care; and
- Social Reintegration.

The Department of Correctional Services received R20 617.6 billion for the 2015/16 financial year. This amounts to 3 per cent of the total national budget.³ The Department received 13 per cent of the total allocation for the Justice, Crime Prevention and Security (JCPS) Cluster, which includes the Departments of Correctional Services, Defence, Justice and Constitutional Development, Police, Independent Police Investigative Directorate (IPID) and the Office of the Chief Justice and Judicial Administration. The Departments' percentage allocation for the Cluster was reduced by 0.2 per cent as compared to the 2014/15 financial year when it received 13.2 per cent of the total allocation for the Cluster.

For the 2015/16 financial year, the Cluster received a total of R157 535.3 billion, which is 23 per cent of the total national budget. Thus as illustrated in the following table, the total allocation to the JCPS Cluster has remained relatively stable (it was reduced by 0.4% in 2015/16 as compared to 2014/15).

Table 1: 2015/16 allocation to the Justice, Crime Prevention and Security Cluster

<i>Justice, Crime Prevention and Security Cluster</i>	<i>2015/16 (R'000)</i>	<i>% of Cluster Vote</i>
Correctional Services	20 617.8	13%
Defence and Military Veterans	44 579.4	28%
Independent Complaints Directorate	234.8	0.14%
Justice and Constitutional Development	14 984.0	9.5%
Police	76 377.1	48.5%

³ Excluding direct charges against the National Revenue Fund



Total for Cluster	157 535.3	23.1% of total national budget
Total Budget	679 497.5	

3. SUMMARY OF KEY FINDINGS OF THE AUDITOR GENERAL FOR 2013/14⁴

The following section provides a summary of selected key audit findings for 2013/14, which have relevance on the analysis of the 2015/16 budget Vote and APP of the DCS. The Department of Correctional Services received a **qualified audit** in the 2013/14 financial year on the basis of **movable tangible capital assets**. The Auditor-General (AG) highlighted the following findings in respect of movable tangible assets:

- The Department did not comply with section 40(1)(a)-(b) of the Public Finance Management Act as the movable tangible capital assets as disclosed in note 32 of the financial statement were understated to the approximate value of R73 million (R88 million 2012/13), as the AG could not trace these assets physically on hand to the asset register. These very same movable tangible assets were further overstated to the approximate value of R67 million (R36 million in 2012/13) as the AG could not physically verify them. In addition, the same movable tangible assets were overstated to the approximate value of R27 million (R16 million in 2012/13), as they did not reflect the appropriate costs or fair values. Again, the AG could not verify the valuation and completeness of assets to the value of R85 million which were included in suspense register as this register was not timeously made available to the auditors.

The following provides a summary of selected other matters that were raised by the AG and includes the following:

- **Usefulness and reliability of the information:** A total of 50 per cent of the indicators were not well defined
- **Human resources management:** Funded vacant posts were not always filled within 12 months, as required by public service regulation 1/V/D 2(b).

⁴ The 2013/14 Annual Report is not yet available



- **Reliability:** Significant important targets with respect to incarceration and rehabilitation programmes were materially misstated.
- **Leadership:** The Department had key positions that were vacant for significant periods of time. These key positions were occupied by employees in an acting capacity.
- **Expenditure management:** Effective steps were not taken to prevent irregular, fruitless and wasteful expenditure, as required by section 38(1)(c) (ii) of the PFMA and Treasury regulation 9.1.1. Fruitless and wasteful expenditure amount was R1.1 million while Irregular expenditure amounted to R187 million.
- **Procurement and contract management:** Some employees of the Department performed remunerative work outside their employment in the Department without written permission from the relevant authority, as required by Treasury regulation 3.2.7(d)
- **Internal audit:** The internal audit function did not submit reports, detailing the performance against the annual internal audit plan, to the Audit Committee every quarter, as required by Treasury regulation 3.2.7(d).

Comments and questions

The budget that is allocated to the Department must be wisely spent, and the Department must be able to provide evidence that it has the capacity to spend its allocated funds effectively (on the right things) and efficiently (without waste). The audit findings of previous years point to potential problems which may arise in subsequent years, and thus are relevant to the 2015/16 budget allocations. The key problem highlighted in the 2013/14 audit was that movable assets could not be verified.

- What measures have been put in place to reduce irregular and fruitless and wasteful expenditure?
- What steps have been taken to ensure the accuracy of the asset register?
- The Department should provide the Committee with a detailed plan on how issues raised by AG in the 2013/14 report have been addressed in the 2014/15 financial year especially issues such as vacancies which were not filled within 12 months as required by Public



Service Regulation 1(V/D) 2b, and key leadership positions that are occupied by employees in an acting capacity.

- The Department should also inform the Committee on how they are addressing the issue of internal audit as raised by the AG which relate to Internal Audit not submitting reports detailing the performance against the annual internal audit plan to the Audit Committee every quarter as required by Treasury regulations 3.2.7(d).

4. SUMMARY OF QUARTERLY EXPENDITURE TRENDS FOR 2014/15, and ADJUSTMENTS.

4.1. Quarterly trends (3rd, 2nd and 1st Quarters)

3rd Quarter 2014/15

In terms of expenditure for 2014/15, available information shows that at the end of the 3rd quarter of the 2014/15 financial year (ending in December 2014), the Department had spent 73 per cent (or R14.4 billion) of the total allocated budget of R19.7 billion.⁵ This represents an under-expenditure of 2.1 per cent (or R416.2 million) against the approved projected spending of 75.1 per cent at the end of the 3rd quarter of 2014/15. **Over-spending was visible in two programmes namely: Administration; and Care.** On the other hand, the **Incarceration programme and Rehabilitation and Social Reintegration programmes under-spent** on their projected expenditure for the 3rd quarter.

The Administration programme was allocated an adjusted appropriation of R3.6 billion for 2014/15 financial year. At the end of December 2014, this programme had spent an amount of R2.7 billion (or 73.3%). This is 0.5 per cent higher than the approved drawing benchmark of 72.8 per cent and this means the programme had over-spent for the 3rd quarter by an amount of R19.6 million. The Incarceration programme was allocated the largest amount of all programmes for 2014/15. An amount of R12.3 billion was allocated to this programme. At the end of December 2014, spending for this programme was R9 billion which translates to 73.3 per cent of the budget for this programme. This is 2.7 per cent lower than the approved drawings benchmark of 76 per cent and this means this programme was behind on planned spending by R330.4 million.

⁵ Mathabathe, M. 2014



The Rehabilitation programme was allocated an adjusted appropriation of R1.2 billion for the 2014/15 financial year. By the end of December 2014, this programme had spent an amount of R744.2 million (or 63.8 per cent). This means that spending for this programme was behind by R112.3 million in the 3rd quarter. The Care programme was allocated an amount of R1.7 billion for 2014/15 financial year. By the end of December 2014, the Care programme had spent R1.4 billion (77.9 per cent). The Social Reintegration programme was allocated R886 million for 2014/15 and by December 2014, it had spent only R610.6 million (68.9 per cent) of its allocation. The projected spending plan for this programme at the end of the 3rd quarter was 74.5 per cent which means there was under-spending of 5.6 per cent at the end of the 3rd quarter.

At economic classification level, lower than planned expenditure occurred on current payments (-1.8 per cent) and **payment for capital assets (-10.1 per cent)**, while higher than planned expenditure occurred on **transfers and subsidies (+37.5 per cent)**. These variances equate to underspending of R341.4 million on current payments and R106.5 million on payments for capital assets, as well as overspending of R31.8 million on transfers and subsidies. The largest underspending items were compensation of employees (-R528.5 million), and machinery and equipment (-R101.5 million). A notable overspending is visible on items: goods and services (R186.7 million) and households (R30.3 million).

2nd Quarter

At the end of the 2nd quarter for 2014/15, the total expenditure for the Department of Correctional Services was R9.3 billion, or 47.1 per cent. This is 2.9 per cent lower than the approved projection of 50 per cent and it means that the Department was behind on planned spending by R562.2 million. At economic classification level, lower than planned expenditure occurred on current payments (-2.0%) and payment for capital assets (-18.6 per cent), while higher than planned expenditure occurred on transfers and subsidies (+18.2 per cent).

The Administration programme spent R1.7 billion (or 46.3 per cent) of the R3.6 billion appropriated for this programme for the year. This was 1.6 per cent lower than planned approved drawings benchmark of 47.9 per cent, and means that the programme was behind on planned spending by R57 million. The Incarceration programme spent R5.9 billion (or 47.8



per cent) of the R12.3 billion appropriated for this programme for the year. This was 3 per cent lower than the approved drawings benchmark of 50.8 per cent and it means that the programme was behind on planned spending by R366.7 million. The Rehabilitation programme spent R470.1 million (or 40.3 per cent) of the R1.2 billion appropriated for this programme for the year. This was 8.4 per cent lower than the approved drawings benchmark of 48.7 per cent and means that the programme was behind on planned spending by R97.7 million.

The Care programme spent R869 million (or 49.8 per cent) at the end of September 2014. This was 0.5 per cent higher than the approved drawings benchmark of 49.3 per cent and it means that the programme was ahead on planned spending by R8.9 million. The Social Reintegration programme spent R392.6 million (or 44.3 per cent) at the end of September 2014. This is 5.6 per cent lower than the approved drawings benchmark of 49.9 per cent and it means that the programme was behind on planned spending by R49.8 million.

1st Quarter

At the end of the 1st quarter of the 2014/15 financial year, the Department spent R4.5 billion (or 23 per cent). This shows that there was a 1.4 per cent under-spending of the approved projected 24.4 per cent spending for the 1st quarter. For the 1st quarter of 2014/15, all programmes under-spent on their projected spending. The Administration programme experienced 0.7 per cent lower than projected spending of their projected 22.6 per cent. The Incarceration programme recorded under-expenditure of 1.1 per cent, the Rehabilitation programme experienced a significant lag in spending by 4.3 per cent, while the Care and Social Reintegration Programmes were behind by 2.7 per cent and 2.9 per cent respectively. At economic classification level, lower than planned expenditure was visible under current payment (1.3%), transfers and subsidies (0.7%) and payment for capital assets (4.7%).

4.2. Adjusted Estimates 2014/15

The following occurred during the adjustments period:

- **Administration programme:** In the Administration programme, an amount of R60 000 was shifted from goods and services to finance vehicle licences under the provinces and municipalities account.



- **Incarceration programme:** In the Incarceration programme, an amount of R121 000 was shifted from goods and services to machinery and equipment in order to purchase metal detectors for the regional offices in Limpopo, Mpumalanga and North-West.
- **Rehabilitation programme:** An amount of R286 000 was shifted from goods and services (due to delays in procurement processes for training of offenders) to machinery and equipment to purchase computers and workshop machinery.
- **Care Programme:** An amount of R1.449 million was taken from Care programme and distributed to Administration programme (R891 000), Rehabilitation programme (R529 000) and Social Reintegration programme (R29 000). Among other things, the amount was used for travel allowance for senior managers, office furniture, computers for newly appointed employees, and the replacement of a fence for animals. This is the only programme in which virements were done.
- **Social Reintegration programme:** An amount of R31 000 was shifted from goods and services to machinery and equipment to purchase computers for newly appointed employees and to replace obsolete computers in some regions.⁶

Comments and questions

It is alarming that in the 3rd quarter the Department could not spend an amount of R416.2 million. When expenditure is this low at the end of the 3rd quarter, this poses a real risk of recording under expenditure at the end of the financial year.

The overall vacancy rate at the end of the 3rd quarter was 7.1 per cent. The highest vacancy rate in terms of critical skills included: medical practitioners (38.9 per cent), psychologists (24 per cent), pharmacists (18.3%), educationists (17.3 per cent), artisans (17.4 per cent), social workers (16.3 per cent) and professional nurses (15.3 per cent). The Department should inform the Committee about corrective measures which are in place to speed up filling of critical posts.

- The item Catering shows a huge variance (+120 per cent) between planned and actual expenditure for the 3rd quarter. The Department should provide reasons to the Committee for this higher than planned spending on catering in the 3rd quarter. Again, the item farming suppliers also shows a huge variance (+112.3 per cent).

⁶ Adjusted Estimates of National Expenditure, 2014



between actual and projected expenditure for the 3rd quarter. The Department should provide reasons to the Committee about this huge over-spending on farming suppliers in the 3rd quarter.

- A total amount of R1 449 million was shifted out of the Care programme during the adjustment period. The Department should explain the reasons for this shift and how it impacted on the deliverables of this programme in terms of provision of health care services to offenders (especially in the light of prioritisation of treatment for HIV/AIDS and TB).

5. ANALYSIS OF THE 2015/16 BUDGET OF THE DEPARTMENT OF CORRECTIONAL SERVICES

5.1 Broad Expenditure Trends

For 2015/16 financial year, the DCS has been allocated an amount of R20 617.7 billion. The table below indicates that for 2015/16 financial year, the Department's budget increased by R895.8 million (4.54 per cent in nominal terms) in comparison to the allocation for 2014/15 financial year. The table below further indicates that expenditure for the Department is expected to reach R23.1 billion in 2017/18 at an average annual rate of 5.5 per cent. This is mainly as a result of spending on Compensation of employees which is expected to grow to R16 billion over the medium term, at an average annual rate of 6.1 per cent as well as spending on infrastructure which is expected to grow to R836.3 million in 2017/18.

Table 2: Budget Allocation for the Department of Correctional Services (2015/16-2017/18)

	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)
Vote 18	19 727.9	20 617.7	21 858.3	23 135.3
Nominal % increase		4.54%		



Of the total amount of R20 616.7 billion allocated to the Department in 2015/16, an amount of R14 034.1 billion (68 per cent) is channelled towards Compensation of employees. This is a 0.5 per cent increase as compared to 2014/15 when Compensation of employees comprised 67.5 per cent of the allocated budget. It is noted that during 2013/14 financial year, this line item spent 99.7 per cent of the allocated budget for that financial year.⁷ As highlighted in an earlier section, 3rd quarter spending for 2014/15 on Compensation of employees reflected underspending of R528.5 million.

Infrastructure: The Department has allocated R178 million in the 2015/16 financial year for the construction of perimeter security fencing and intercom installation. Another R100 million has been allocated in the 2015/16 financial year for the creation of 787 additional bed and support facilities at Standerton. The project is still at tender stage.⁸

Programmes: The Administration and Incarceration programmes received the largest proportion of the total Departmental budget. These two programmes account for a combined 80 per cent of the total budget of which 62 per cent is allocated to the Incarceration programme and 18 per cent is allocated to the Administration programme.

The Rehabilitation and Social Reintegration programmes received the smallest allocations of the total budget and together they account for only 10.4 per cent of the total budget. The Care programme comprises 8.8 per cent of the budget (as compared to the 9 per cent in the previous financial year).

Comments and questions

The previous Committee reports highlighted concerns regarding distribution of funds across programmes in the past especially funds allocated to rehabilitation and social reintegration programmes which are key in terms of reducing re-offending. How is the department ensuring that distribution of funds across programmes takes into account the priorities of the White Paper on Corrections?

⁷ Annual Report of the Department of Correctional Services, 2013/14

⁸ Estimates of National Expenditure 2015



Compensation of employees receives a higher percentage of the total budget for 2015/16 despite possible underspending in 2014/15 (as reflected in the 2014/15 3rd quarter report). Explain the rationale for this percentage increase of the total budget? How does the vacancy rate especially in professional services effect this spending, and what measure are in place for 2015/16 to improve this situation?

5.2. Programme allocation

5.2.1 Administration Programme

Table 3: Programme 1: Administration

	2014/15 (R'000)	2015/16 (R'000)	Nominal % changes
Programme 1: Administration	3 623.7	3 697.3	2.03%
Sub-programmes			
Ministry	30.9	32.6	5.50%
Management	1 025.7	999.4	-2.56%
Corporate Services	1 476.3	1 518.5	2.86%
Finance	939.9	996.9	6.06%
Internal Audit	95.1	89.7	-5.68%
Office Accommodation	55.8	60.2	7.89%
Residential Accommodation	-	-	-

This programme provides the administrative, management, financial, ICT, research, policy coordination and good governance support functions necessary for all service delivery by the Department and in support of the functions of the Ministry.

This is the second largest programme in the Department in terms of budget allocation and has been increased by 2.03 per cent as compared to the 2014/15 financial year. An amount of R3.7 billion has been allocated to the Administration programme for the 2015/16 financial year. This amounts to 18 per cent of the total Departmental budget. As compared to the previous financial year (2014/15) the percentage allocation has remained stable.



Expenditure trends for this programme reflect 100 per cent spending in the 2013/14 financial year compared to under spending of 2.4 per cent in 2012/13. This shows improvement in expenditure for this programme, at least in comparison to 2012/13. The bulk of the budget for this programme in the 2015/16 financial year is allocated to Compensation of employees (73.8%), Goods and services (23%), and computer services (3.8%).⁹

In terms of budget allocation for sub programmes, the Management sub-programme has been allocated 27 per cent of the total budget of the Administration programme, while the Corporate Services sub-programme is allocated 41 per cent of the programme's budget. The Finance sub-programme has been allocated 27 per cent, the Internal Audit sub-programme comprises only 2.4 per cent, the Ministry sub-programme has been allocated only 0.88 per cent and the Residential Accommodation sub-programme has received no budget allocation for 2015/16.¹⁰

Key targets for 2015/16:

- According to the Department's Annual Performance Plan for the 2015/16 financial year the target is to fill **98 per cent of funded vacant posts**. For 2014/15, the target was slightly increased (from 97 per cent in 2013/14) to 98 per cent even though this target was not achieved in 2013/14. In 2013/14, the target for filling funded vacant posts was 97 per cent and this target was not achieved as only 56.9 per cent of funded posts were filled in that financial year.¹¹ Shortages of staff within the Department continue to create serious challenges and have been raised in a number of meetings between the Portfolio Committee on Correctional Services and the Department. Some of the issues contributing to the high vacancy rate include natural attrition and the time that it takes to fill vacancies. The Department has therefore decided to decentralise the filling of vacancies to regions. This will hopefully assist in addressing time delays in filling vacancies.¹²

⁹ Ibid

¹⁰ Ibid

¹¹ Annual Report of the Department of Correctional Services, 2013/14

¹² Mokoena, T. (2013)



- The Department also intends to train 18 150 **officials in line with the Workplace Skills Plan (WSP)** in 2015/16.¹³ For the 2014/15 financial year, the target was also set at 18 150 officials to be trained in line with WSP. In 2013/14 financial year, the target for WSP was 15 000 and this target was exceeded since 21 063 official were trained in line with the WSP priorities.¹⁴
- It is also the aim of the Department to **reduce the number of audit qualifications to zero in 2015/16**. In 2014/15, the target was to have zero audit qualifications with a reduction in the number of emphasis on matters. For 2013/14, the target was to reduce the number of audit qualifications with a reduction of emphasis of matters, however the actual achievement was one (1) audit qualification on movable tangible assets.¹⁵

Comments and Questions

- The high vacancy rate within the Department continues to be a challenge and should be addressed as a matter of urgency. The Department should provide the Committee with a detailed plan including time frames on how the target to improve the vacancy rate will be achieved for the 2015/16 financial year, especially in light of the slight increase in percentage of the budget that will be directed toward compensation of employees.
- It is also noted that the sub-programme Residential Accommodation has not been budgeted for this financial year or for the outer years (2016/17-2017/18). The Department should provide an explanation for not budgeting for this sub-programme.
- The Department should provide the Committee with a progress report on the Ministerial Task Team (MTT) established to resolve issues around the non-payment of overtime, the seven day establishment, and the Occupational Specific Dispensation for correctional officers. What are the current outstanding issues? And what is the time frame for all these issues to be resolved?
- The Department should also provide the Committee with an update on all outstanding ICT projects managed by SITA including RDOMS (Remand Detainee and Offender Management System) as this is a priority area listed in the Seven-Point Plan.

¹³ Department of Correctional Services Annual Performance Plan, 2015/16

¹⁴ Annual Report of the Department of Correctional Services, 2013/14

¹⁵ Annual Report of the Department of Correctional Services, 2013/14



- The Department should indicate whether there are vacancies under the ICT branch of the Department of Correctional Services? If yes, how long were these positions vacant? And when will these positions be filled?
- The department's response to the Committee's BRRR for 2014 has been acknowledged in particular the response regarding filling of positions at senior management level. The department should continuously update the Committee on progress regarding filling of these vacancies.
- The Department should indicate the amount of outstanding debt dispute between DCS and SITA? And what are the current plans to resolve this issue?
- According to the 2009-2014 Delivery Agreement of Outcome 3, the Departments within the CJS should develop a Business Plan (2014-2019) which must be aligned with Departmental Strategic Plans/APPs. Accordingly, the target was to have this Business Plan developed and approved by December 2014 and in April 2015 the Plan should be implemented by all Departments. (a) Has the Business Plan been developed? If yes, (b) Was the Departmental Strategic Plan/APP aligned with this plan? (c) Is the Department of Correctional Services ready to implement this Plan by April 2015? If no, (d) What are the obstacles in implementing this Plan?

5.2.2 Incarceration Programme

This programme provides services and well maintained physical infrastructure that supports safe and secure conditions of detention consistent with human dignity of inmates, personnel and the public; and provides for the profiling of inmates and compilation of needs-based correctional sentence plans, administration and intervention. This programme has four sub-programmes which are: Security Operations; Facilities; Remand Detention and Offender Management.

Programme 2: Incarceration

	2014/15 (R'000)	2015/16 (R'000)	Nominal % changes
Programme 2: Incarceration	12 299.8	13 080.9	6.35%
Sub-programmes			
Security Operations	6 230.8	6 558.5	5.26%
Facilities	3 677.7	3 827.1	4.06%
Remand Detention	741.1	821.9	10.90%



Offender Management	1 650.2	1 873.3	6.35%
---------------------	---------	---------	-------

This is the largest allocated programme in terms of the budget and its allocation has been increased by 6.35 per cent when compared to the previous financial year. An amount of R13 billion has been allocated to this programme in the 2015/16 financial year. This amounts to 62 per cent of the total budget allocation for the Department. Overall expenditure trends for this programme reflect a very slight downward trend in expenditure for 2013/14 as compared to the 2012/13 financial year.¹⁶ This is based on the fact that in 2012/13, this programme managed to spend 100 per cent of its total allocation whereas in 2013/14 there was an under-expenditure of 0.2.¹⁷ 3rd quarter spending for 2014/15 also reflects slight under-spending in this programme.

In terms of the budget allocation for sub-programmes under the Incarceration Programme, the largest allocation was given to the **Security Operations** sub-programme which received R6.6 billion. This constitutes 50 per cent of the total allocation for the Incarceration Programme. The **Facilities** sub-programme has been allocated R3.8 billion, which translates to 29 per cent of the total allocation for the Incarceration programme. The **Remand detention** sub-programme has been allocated an amount of R822 million which is the lowest allocation under this Programme and only takes 6 per cent of the total allocation of Incarceration Programme. The **Offender management** sub-programme has been allocated R1.8 billion which translates to 14 per cent of the total allocation for Incarceration Programme.

Spending under the Incarceration Programme is set to reach R14.4 billion in 2017/18. This is largely as a result of spending on Compensation of employees which is expected to grow to R10 billion, at an average annual rate of 5.9 per cent, due to additional allocations for improved conditions of service. Expenditure on capital assets also contributes to the increase in spending under the Incarceration Programme. This is because spending on capital assets is set to reach R904 million in 2017/18, which is mainly as a result of the upgrading of 16 facilities which will increase the total bed space by 4 787 in 2017/18.

¹⁶ Information is not available for 2014/15 financial year for comparison purposes

¹⁷ Information for 2014/15 was not available at the time of writing this paper. This information is contained in the Annual Report which normally is available around Sep/Oct each year



Key Targets for 2015/16:

- **Assaults:** According to the Annual Performance Plan (2015/16), the Department has set the target for **percentage of inmates' assault to 3.9 per cent**. In 2014/15, the target for inmate's assault was set for 4.1 per cent. For 2013/14, the target for reducing inmates' assaults was 2 per cent and this was not achieved because the rate of assaults was 4.67 per cent. According to the Department, this was attributed to an inaccurate historical baseline information.¹⁸
- **Unnatural deaths:** For 2015/16, the **target for unnatural deaths is 0.034 per cent**. For 2014/15 the Department has set the target for unnatural deaths at 0.035 per cent. In 2013/14, the target was set at 0.027 per cent and this could not be achieved since the actual performance was at 0.039 per cent. This was mainly as a result of security related incidents (i.e. violent assaults incidents resulting in unnatural death).¹⁹
- **Escapes:** For 2015/16, the target for **escapes from correctional and remand detention facilities is set at 0.025 per cent**. The 2014/15 Annual Performance Plan of the Department of Correctional Services put the target for escapes as 0.026 per cent. In 2013/14, the target for escapes was 0.032 per cent and this target was not achieved since the actual performance was 0.038 per cent.²⁰
- **Bed spaces:** The Annual Performance Plan further indicates that for 2015/16 the Department intends to **increase the number of bed spaces by 518** (by upgrading and not by construction). In 2014/15 the target was to create 480 additional bed spaces. In 2013/14, the Department planned to increase the number of bed spaces by 471 but this target could not be achieved since no bed spaces were created.²¹
- **Overcrowding:** The 2015/16 Annual Performance Plan puts the target for **reducing overcrowding at 31 per cent**. For 2014/15 the target for overcrowding was to reduce it to 27 per cent or less. In 2013/14, the target for overcrowding was 30 per cent or less and this target was achieved since the level of overcrowding stood at 29.70 per cent.²²

¹⁸ Annual Report of the Department of Correctional Services, 2013/14

¹⁹ Ibid

²⁰ Ibid

²¹ Ibid

²² Ibid



- **Continuous Risk Assessment (CRA) for remand detainees:** The 2015/16 Annual Performance Plan puts the target for rollout of CRA at 14% (22 out of 161) of DCS facilities that have remand detainees.

Comments and Questions

- The Department should provide the Committee with an update on the implementation of separate uniforms for remand detainees. How many centres have been supplied with the uniform and how many centres are outstanding? When will this process be finalised? Who is the service provider for the uniforms? How much has been budgeted for this project?
- In relation to remand detainees, the Department should report on progress in development of the approved policy on remand detention management and the draft procedure manuals on: Disciplinary Procedures, Privilege system, Application for Bail review, Temporary release for RDs to SAPS and Administration of State Patients.
- Since the installation of security access turnstiles in different facilities, how many of these turnstiles are fully functional currently? How many facilities still requires access turnstiles? And how much has been budgeted for these security systems in 2015/16?
- The 2015/16 Annual Performance Plan indicates that a total of 518 bed spaces will be created in 2015/16 through upgrading. The Committee should enquire as to which facilities will be upgraded to create these bed spaces. Has upgrading of these facilities commenced?
- The Committee should request the Department to provide a status report regarding the construction of Ceres and Vanrhynsdorp correctional centres.
- What is the current recidivism rate in correctional facilities?
- According to the 2009-2014 Delivery Agreement, a framework on repeat offending was targeted for completion in 2013/14. Has this framework been completed? If yes, when was it completed? If no, what are the challenges in completing this framework?
- The lack of programmes for remand detainees, in light of the increasing numbers that are spending over four years in remand detention, is a serious concern. The Portfolio Committee should enquire from the Department how many remand detainees are on remand detention for more than four years. Has the Department reconsidered its position on provision of programmes for long serving remand detainees, in particular?



- Explain progress with the rollout of CRA to remand detainees at 22 of the 161 correctional facilities that have RDs. Which centres have been targeted for 2015/16 and what are the reasons for their prioritisation? What are the cost implications of this rollout?
- The Committee should enquire from the Department how many schools are currently registered with the Department of Basic Education and in which centres are these Schools situated.
- The Department should also inform the Committee as to where the new school facilities mentioned in the ENE (pg. 328) will be constructed in 2017/18.
- How many additional bed spaces have been created by the end of 2014/15?
- The Committee should also enquire as to when the additional 787 bed spaces in Standerton will be completed.
- The Department should provide an update on the construction of the 12 additional bed spaces at Pretoria C-Max. Has the project been completed, if yes, when? If no, what are the challenges?
- The Department should indicate at which correctional centres the perimeter fence and intercoms will be installed.
- The Department should provide the Committee with the expected date of the completion of major repairs and renovation of the North End correctional centre in Port Elizabeth which started in 2011/12.
- The Department should indicate which correctional centres will be prioritised for the installation of Standby generators?
-

5.2.3 Rehabilitation Programme

Programme 3: Rehabilitation

This programme provides offenders with needs-based programmes and interventions to facilitate their rehabilitation and enable their social reintegration.

	2014/15 (R'000)	2015/16 (R'000)	Nominal % Changes
--	--------------------	--------------------	----------------------



Programme 3: Rehabilitation	1 1663.3	1 152.0	-1.23%
Sub-programmes			
Correctional Programmes	57.8	47.0	-18.69%
Offender Development	739.3	751.1	1.60%
Psychological, Social and Spiritual Services	369.3	353.9	-4.17%

The Rehabilitation Programme is the second smallest programme in this budget and comprises only 5.6 per cent of the total allocation for the Department in 2015/16. For the 2015/16 financial year, this programme has been allocated an amount of R1.2 billion which is a nominal decrease of 1.23 per cent as compared to the 2014/15 allocation. A total of 69.5 per cent of this allocation goes to Compensation of employees. Expenditure trends reflect an upward trends when comparing expenditure for 2013/14 and 2012/13. In 2012/13, this programme managed to spend only 87% of the total allocation whereas in 2013/14 expenditure was 95.2% which translated to R48 million under-spending. Looking at the third quarter spending for 2014/15 this programme is behind planned spending by 9.6 per cent (or R112.3 million).

In terms of budget allocations to sub-programmes, the largest allocation is to Offender Development (R751.1 million), followed by Psychological, Social and Spiritual Services (R353.9 million) and then lastly the Correctional sub-programme (R47 million).

Spending under this programme is projected to reach R1.4 billion by 2017/18 at an average annual rate of 6.6 per cent. This allocation will be used amongst others, to increase the number of offenders taking part in adult education and training programmes from a projected 11 007 in 2015/16 to 13 319 in 2017/18.

Key targets for 2015/16:

- Increase the **percentage of offenders who** participate in correctional programmes targeted at offending behaviour per year to 68 per cent. In 2014/15 this indicator did not have a target (though estimated performance is set at 64% in the 2015/16 APP). However, for 2013/14 the target for this indicator was 60 per cent and this target was achieved since 64 per cent of offenders participated. This achievement was ascribed to the continuous monitoring and evaluation and training of relevant officials. (It



should be noted, however that the performance for 2012/13 was 87% and thus performance has declined dramatically since 2012/13).

- Increase the **percentage of offenders involved in Further Education and Training mainstream programmes to 548** in 2015/16. In 2014/15, the target set for this output was set at 80 per cent (498/622). For 2013/14 there was no target for this specific indicator.
- Increase the percentage of offenders involved in **Further Education and Training college programmes to 80 per cent (4 051/5 069)** in 2015/16. In 2014/15, the target for this indicator was also set at 80 per cent (2 576/3 222). For the 2013/14 financial year, the Department had set the target for this indicator at 28.7 per cent and this target could not be achieved since only 22.6 per cent (2 986/13 536) of offenders participated. This under-achievement was ascribed to availability of only few training opportunities as a result of lack of funding from the National Skills Fund (NSF) and the limited number of Technical Educators and Artisans
- Increase the **percentage of offenders involved in skills development programmes to 80 per cent (3 500/4 370)** in 2015/16. In 2014/15, the target for this output was 80 per cent (4 287/5 359). For 2013/14, there was no target for this indicator.
- The target for the **percentage of offenders (incarcerated and on correctional supervision) who are involved in social work services** is set at 67% for 2015/16 (124 040/185 135). Estimated performance for 2014/15 was a very low 57% dropping from 79.9% in 2013/14 and 99% in 2012/13. The target for **percentage of offenders involved in psychological services** is only 15% for 2015/16. Estimated performance for 2014/15 was a low 14% (declining from 16.6% in 2013/14 and 24% in 2012/13).

Comments and questions

- The budget allocation for the Rehabilitation programme has been reduced (by 1.23 per cent) as compared to the allocation of the previous year. The Committee should enquire from the Department of Correctional Services what informs this reduction in allocation for Rehabilitation programme.



- Performance in terms of access of offenders to social work services and psychological services is declining instead of improving. The Department should explain what measures it is putting in place to improve access of offenders to these essential services (key to their rehabilitation and to reduce recidivism).
- Explain the decrease in the budget for Psychological, Social and Spiritual services in 2015/16 in the light of declining percentage of offenders that have access to these services?
- In 2013/14 the target for participation in Further Education and Training College programmes was not achieved because of, amongst others, a lack of funding from the skills fund and limited number of technical educators and artisans. Has the challenge regarding a lack of funding been addressed? If yes, how? If no, why not?
- In the 3rd quarter of 2014/15 this programme was behind spending plan by 9.6 per cent or R112.3 million. Is the Department anticipating further under-spending in the 4th quarter? Explain measure to ensure improved spending in this essential programme.
- The allocation in 2015/16 for Correctional Programmes targeted at offending behaviour decreased in 2015/16 from an adjusted budget of R57 million in 2014/15 to R46.9 million in 2015/16. Explain the reasons for this decrease in the light of an increasing target (from an estimated 64% in 2014/15 to 68% in 2015/16)? How many offenders have Correctional Sentence Plan? Of those, how many are attending correctional or rehabilitation programmes? What are the constraints to ensuring that 100% of offenders with Correctional Sentence Plans are attending programmes in line with their plans? How will this be overcome?
- What are the outcomes of the Ministerial Task Team Investigation on offenders serving sentences of less than 24 months without Correctional Sentence Plans?
- What is the Department's plan with regard to the retention and attraction of scarce skills such as psychologists and social workers?



5.2.4 Care Programme

This Programme provides needs-based programmes and services aimed at maintaining the personal wellbeing of incarcerated persons by facilitating physical fitness, social functioning, healthcare, and spiritual, moral and psychological wellbeing.

Programme 4: Care Programme

	2014/15 (R'000)	2015/16 (R'000)	Nominal % changes
Programme 4: Care	1 745.8	1 796.3	2.89%
Sub-programmes			
Nutritional Services	924.0	946.5	2.44%
Health Services	691.7	734.5	6.19%
Hygienic Services	130.1	115.3	-11.38%

The allocation for this programme has increased by a small margin of 2.89 per cent as compared to the previous financial year (2014/15) from R1 745.8 billion (2014/15) to R1 796.3 billion (2015/16). This programme accounts for 8.7 per cent of the total budget of the Department. In terms of expenditure trends, this programme managed to spend 100 per cent of its allocation in 2013/14 but only 96.8 per cent in 2012/13. The bulk of this programme's budget is allocated to Goods and services (61 per cent), followed by an allocation of 38 per cent towards Compensation of employees. Spending over the medium term will focus, among others, on increasing the percentage of inmates tested for HIV from 68.7 per cent in 2013/14 to 90 per cent in 2017/18.

There are three sub-programmes under the Care programme namely: Nutrition Services, Health Services, and Hygienic Services. The bulk of the budget has been allocated to Nutrition Services (R946.5 million), followed by Health Services (R734.5 million) and Hygienic Service (R115.3 million).

Key Targets for 2015/16:

- **Percentage of inmates tested for HIV: Increase the percentage of inmates tested for HIV to 80 per cent (124 496/155 620) in 2015/16.** For 2014/15, the target was to



increase this output to 50 per cent. In 2013/14 the target for this output was set at 50 per cent and this target was exceeded since 68.7 per cent of offenders were tested.

- **Percentage of inmates on antiretroviral therapy: *Increase the percentage of inmates on antiretroviral therapy to 96 per cent in 2015/16 (21 788/22 696).*** For 2014/15, the target for this output was 95 per cent. In 2013/14 the Department set the target at 94 per cent and this target was exceeded since 95.70 per cent of offenders were on antiretroviral therapy.
- **Percentage of TB cure rate: *Increase the cure rate of TB to 85 per cent (2 270/2670) in 2015/16.*** For 2014/15, the target was 80 per cent of offenders on TB cure rate. In 2013/14 the target was to increase the percentage of TB cure rate to 75 per cent however the actual achievement was not provided since there was an errata provided on this indicator.
- **Number of management areas with contracted healthcare waste services:** The target in 2015/16 is to ***increase the number of Management Areas with contracted health care waste services by six (6) areas.*** In 2014/15, the target was to have 6 Management Areas with contracted health waste service. In 2013/14, the target for this output was to have 18 additional Management Areas with contracted healthcare waste services and this target was achieved since 29 Management Areas had contracted waste services.

Comments and Questions

- The fight against TB in correctional centres has been identified in the State of The Nation Address for 2015 as the priority of government during the 2015/16 financial year. What are the plans of the Department to realise this priority of government? What are some of the existing initiatives implemented by the Department with regard to the fight against TB in correctional centres?
- What is the Department's plan with regard to the retention and attraction of scarce skills like health care workers, and pharmacists?
- Is there a Memorandum of Understanding (MoU) between the Department of Correctional Services and the National Department of Health on the provisions of



health care services in correctional facilities?

5.2.5. Social Reintegration Programme

This programme provides services focused on offenders' preparation for release, the effective supervision of offenders placed under the system of community corrections and the facilitation of their social reintegration into communities.²³

Programme 5: Social Reintegration Programme

	2014/15 (R'000)	2015/16 (R'000)	Nominal % Changes
Programme 5: Social Reintegration	886.3	891.2	0.55%
Sub-programmes			
Parole Administration	111.1	95.5	-14.04%
Supervision	693.3	708.7	2.22%
Community Reintegration	39.8	42.8	7.54%
Office/Accommodation: Community Corrections	42.0	44.2	5.24%

This programme has been allocated an amount of R891 million for the 2015/16 financial year, which is an increase of 0.55 per cent as compared to the previous financial year. This programme comprises only 4.3 per cent of the total budget of the Department for this financial year. A total of 84 per cent of this programme's budget is allocated for Compensation of employees and 15 per cent is allocated to Goods and services.²⁴ In terms of expenditure trends, this programme's expenditure improved from 90 per cent (in 2012/13) to 100 per cent (in 2013/14).

This Programme has been divided into four sub-programmes namely: Parole Administration, Supervision, Community Reintegration, and Office Accommodation (Community Corrections). The largest part of this Programme's allocation is made towards Supervision (79.5 per cent), followed by Parole Administration (10.7 per cent), Office Accommodation: Community Corrections (5 per cent) and then lastly, Community Reintegration (4.8 per cent).

²³ Estimates of National Expenditure, 2015

²⁴ Ibid



Spending under this programme is projected to grow to R1 057.3 billion over the medium term at an average annual rate of 6.1 per cent. This can be ascribed to the rollout of electronic monitoring which will cater for the increase of people placed under electronic monitoring from 500 (in 2014/15) to 1500 (in 2017/18).

Key Targets for 2015/16:

- **Number of parolees reintegrated through halfway house partnerships:** The target for 2015/16 is to have 79 per cent (110/140) *parolees reintegrated through halfway house partnerships*. For 2014/15, the target was to have 80 parolees integrated through halfway houses. This indicator only started in 2014/15 therefore there is no historical information for 2013/14 in order to evaluate how this indicator performed.
- **Number of victims and offenders who participate in restorative justice programmes:** The target for this output in 2015/16 is to have **6 000 victims and 76 985 probationers and parolees participating in restorative justice programmes**. In 2014/15, the target was to have 2 000 victims and 23 921 offenders participating.
- **Percentage of parolees without violations:** The target for 2015/16 under this output is to **increase the number of parolees without violations to 95 per cent (55 567/58 492)**. In 2014/15, the target for this output was 80 per cent per cent. For 2013/14 the target was set at 79.9 per cent and this target was exceeded by 14.2 per cent.
- **Percentage of probationers without violations:** The target for 2015/16 is to **increase the percentage of probationers without violations to 95 per cent (55 567/58 492)**. In 2014/15 the target for this indicator was 85 per cent (14 211/17 545). For 2013/14 the target was 80 per cent and this target was exceeded by 12.8 per cent. This was ascribed to availability of systems and processes in place to ensure compliance.²⁵
- **Percentage of offenders' profiles submitted by Case Management Committee (CMC) that were considered by CS Parole Boards:** The target for 2015/16 is 87% (3 839/42 340).
- **Number of new service points in community corrections:** 18 new service points are targeted for creation in 2015/16.

²⁵ Annual Report of the Department of Correctional Services, 2013/14



Comments and Questions

- The Department should be asked to explain the decrease in the budget for 2015/16 for parole administration. In addition, the Department should be asked to explain problems around the filling of vacancies of community members in the parole boards, the cost implications of the problem of both non-filling of these positions as well as the requests for additional payments (by community members). How is the vacant posts at CSPBs impacting on the performance of the boards (i.e. the number of cases that they are able to hear)? When will this problem be addressed?
- The Portfolio Committee should request the Department of Correctional Services to explain what formula was used to determine the number of victims (6 000) and probationers and parolees (76 985) to participate in restorative justice processes.
- The Department should provide the Committee with a progress report on the implementation of an electronic monitoring system for probationers and parolees, including challenges experienced. What are the budget implications of these challenges?
- The 2015/16 Annual Performance Plan indicates that a total number of 1000 parolees, probationers and awaiting trial persons will be placed under electronic monitoring in this financial year. This measure by the Department should be encouraged, however the Department needs to provide the Committee with the financial implications associated with this project.
- The Social Reintegration programme was behind its projected spending plan by 5.6 per cent at the end of the third quarter of 2014/15, which translate to R49.5 million. The Department should provide explanation on reasons for this under-spending and how has this affected service delivery.
- Were the 12 new service points for community corrections created in 2014/15? What are the cost implications of the creation of the 18 new service points in 2015/16? Are sufficient funds allocated for this purpose?

6 National Treasury's response to the Portfolio Committee on Correctional Services' Budgetary Review and Recommendation Report (BRRR)



Section 7(4) of the Money Bills Amendment Procedure and Related Matters Act 2009 prescribes that the Minister of Finance must submit a report to Parliament at the time of the budget explaining how the Division of Revenue Bills and the national budget give effect to, or the reasons for not taking into account, the recommendations contained amongst others, in the Budget Review and Recommendation Report. The following provides a summary of the recommendations by the Portfolio Committee on Correctional Services and the response of National Treasury on those recommendations:

The Portfolio Committee on Correctional Services made the following recommendations in their 2014 Budget Review and Recommendation Report:

- The Committee recommended that should austerity measures be imposed on the Department of Correctional Services (DCS), they should be of such a nature that they do not hamper the delivery of the rehabilitation and reintegration services at the DCS's core. Interventions that will strengthen its leadership, risk and financial management, and security operations should also not be compromised.

The following provides response of National Treasury on the above recommendations of the Portfolio Committee on Correctional Services:

- Spending reductions were implemented on non-core goods and services items such as catering and entertainment, consultants, traveling and subsistence, and venues and facilities. In allocation letters to the departments, the National Treasury indicated that reductions should be effected in such a manner that front line service delivery to the public should not be compromised.

7. CONCLUDING REMARKS

The 2015/16 budget allocation of the Department of Correctional Services does not differ significantly from the previous financial year's allocation. This in itself means that some of the recommendations from different stakeholders and the Portfolio Committee has not been taken into account. The Department of Correctional Services should put more focus on filling



critical vacancies such as educators, medical professionals, IT specialist and finance related. This will assist with, amongst others, addressing the continuous audit qualifications presented by the AG. The long outstanding issues of IT should also be resolved speedily. The Committee should put more emphasis on IT matters during its deliberation with DCS on their budget presentation. In addition, issues raised by the AG in the 2013/14 financial year should be followed up by the Committee.



Sources:

Department of Correctional Services Annual Performance Plan (2015/16):

Department of Correctional Services (2013). Annual Report of the Department of Correctional Services 2012/13.

Department of Correctional Services (2014). Annual Report of the Department of Correctional Services 2013/14.

Mathabathe, M. (2014) Analysis of the 3rd Quarter (2014/15) Expenditure Report of the Department of Correctional Services. Research Unit, Parliament of South Africa.

Mathabathe, M. (2013). Analysis of the 2nd Quarter (2014/15) Expenditure Report of the Department of Correctional Services. Research Unit, Parliament of South Africa.

Mathabathe, M. (2013). Analysis of the 1st Quarter (2014/15) Expenditure Report of the Department of Correctional Services. Research Unit, Parliament of South Africa.

Mokoena, T. Department of Correctional Services. Presentation to the Portfolio Committee on Correctional Services on Strategic and Annual Performance Plan. 17 April 2013. Parliament of the Republic of South Africa. Cape Town.

National Treasury (2015) Estimates of National Expenditure 2015.

