07 October 2016

**Summary and analysis of the 2015/16 Annual Report of the Department of Correctional Services**

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# 1. INTRODUCTION

The purpose of this document is to assist the Portfolio Committee on Justice and Correctional Services in its oversight over the Annual Report of the Department of Correctional Services (DCS) and Financial Statement for 2015/16.

This document:

* Provides the Committee with background of activities undertaken in 2015/16 including, priorities of government as outlined in the 2015 State of the Nation Address, policy priorities as outlined in the National Development Plan, and policy priorities of the Department of Correctional Services for 2015/16.
* Identifies technical problems with the Annual Report.
* Summarizes and analyses the extent to which the Department achieved its targets set for 2015/16 per programme, and identifies some concerns and questions around the performance of the Department.
* Summarizes and analyses the Report of the Auditor General (AG) for 2015/16 and the financial statements which focus on the financial performance of the Department.

# 2. BROAD POLICY ISSUES AND GOVERNMENT PRIORITIES FOR 2014/15

**2.1 State of the Nation Address**

The 2015 State of the Nation Address (SONA) was delivered on the 12 of February 2015 at a Joint sitting of the National Assembly and the National Council of Provinces. In his address the President mentioned that government will launch a massive programme to turn the tide against Tuberculosis (TB) with a special focus on three communities: offenders in correctional centres, mine workers and communities in mining towns. The issue of HIV and Aids is one of the cross cutting issues identified in the Address which also affect Correctional Services. In addition to this, the President also touched on the fight against corruption.[[1]](#footnote-1)

**2.2 National Development Plan (NDP)**

Chapter 12 of the NDP is relevant to Correctional Services as it deals with building safer communities. A number of key priority areas are highlighted as a road map to achieve the vision of the NDP. Key priority areas relevant to DCS include strengthening the criminal justice system and building safety using an integrated approach.

**2.2.1 Strengthening the Criminal Justice System**

Under this priority area the NDP recommends more coherent implementation and reporting of the Seven-Point Plan. Specific actions include:

* Immediate alignment of all strategic plans in the Justice, Crime Prevention and Security (JCPS) Cluster with the Seven-Point Plan.
* The project manager appointed to the Office of the Criminal Justice System Reform to coordinate the Seven-Point Plan’s activities and programmes to ensure that the JCPS departments implement the Seven-Point Plan in sync.
* Dedicated budget for each relevant department be established and outcome reported in relation to the Seven-Point Plan.
* Annual evaluation of implementation of the Seven-Point Plan with assessment against overarching objectives.

**2.2.2 Building safety using an integrated approach**

Under this priority area, the National Planning Commission recommends that the Department of Correctional Services should improve rehabilitation of offenders and reduce recidivism through the following actions:

* Increased substance abuse treatment during imprisonment.
* Increase education, training and skills programmes within correctional centres.
* Community organizations should be capacitated to assist with reintegration after release.
* Awaiting trial detainee (ATD) population must be decreased drastically.
* Priority should be given to youth in prison, particularly in terms of restorative justice and diversion.

**2.3. Policy priorities for the Department of Correctional Services in 2015/16**

For 2015/16 and the medium term the Department committed to focus on the following key areas of delivery:

* Protecting society by detaining inmates in safe, secure and humane conditions in correctional centres and remand detention facilities
* Correcting offending behavior by providing sentenced offenders with needs based rehabilitation programmes and interventions
* Building safety by reintegrating offenders into communities as law abiding citizens and effectively managing non-custodial sentences and parole.[[2]](#footnote-2)

# 3. TECHNICAL ASPECTS

A number of challenges continue to be raised by the Auditor General about targets and performance reporting in this Annual Report. These include:

* **Reliability** of performance information in programmes: Incarceration, Rehabilitation and Care
* **Usefulness** of reported performance information in programmes: Incarceration, Rehabilitation and Care.

**Comments and questions**

* The Committee should find out from DCS how they intend addressing the issue of reliability and usefulness of performance information as raised by the AG in programmes: Incarceration, Rehabilitation and Care.

# 4. KEY SUCCESSES AND CHALLENGES FOR 2015/16

**4.1 Key successes in 2015/16**

Key successes reported by the Department during 2015/16 include:

* The down management of remand detainees in correctional centres
* The filling of key vacancies particularly at strategic level: National Commissioner; CFO; and CDC Strategic Management
* The fight against corruption in the Department. 97% of officials charged with offences related to corrupt activities were found guilty
* **DCS has received an unqualified audit status for the first time since 1994**
* Reduction in overspending from R192 million (in 2014/15) to only R121 000 (in 2015/16)
* The target for reducing assaults in correctional centres has been achieved.
* A decrease in fruitless and wasteful expenditure from R27.7 million (in 2014/15) to R1.7 million (in 2015/16)

**4.2 Key challenges in 2015/16**

Key challenges reported by the Department during 2015/16 include:

* The Department is still experiencing overcrowding which contributes to assaults in correctional centres. For the year under review overcrowding stood at 34%
* Escapes is challenge affecting the Department. In the year under review 71 offenders managed to escape
* An increase in the number of unnatural deaths from 53 (in 2014/15) to 62 (in 2015/16).

# 5. COMPOSITION OF INMATES

In the 2015/16 financial year, there were 161 984 (159 563 in 2014/15) inmates in 243 correctional facilities across the country. Of this number, 45 257 (43 298 in 2014/15) were remand detainees and 116 727 (116 265 in 2014/15) were sentenced offenders.[[3]](#footnote-3)

The Annual Report shows that the highest numbers of inmates were in Gauteng (36 230), followed by the Western Cape (29 872), Kwazulu-Natal (29 253) and Limpopo, Mpumalanga and North West region (23 877). The Eastern Cape was the region with the lowest number of inmates (19 793).[[4]](#footnote-4)

# 6. OVERVIEW OF EXEPENDITURE AND PERFORMANCE

**6.1 General**

The DCS was allocated a final budget of R20 588.554 billion in 2015/16 financial year. The biggest part of this budget (R13 155. 094 billion) was channelled towards compensation of employees. Out of the total final appropriation for 2015/16, the Department managed to spend 100% (R20 588 675 billion) of its budget, which translates to over-spending of only R121 000. When compared to the previous financial year, expenditure of the Department has improved.

**Financial performance**

|  |  |
| --- | --- |
|  | **2015/16 Financial year** |
| **Programme** | **Final Appropriation** | **Actual Expenditure** | **Variance in R** | **Expenditure as a % of Final Appropriation** |
|  | **R’000** | **R’000** | **R’000** | **%** |
| Administration  | 4 015 015 | 4 015 015 | - | 100% |
| Incarceration | 12 464 955 | 12 465 076 | (121) | 100% |
| Rehabilitation | 1 129 139 | 1 129 139 | - |  100% |
| Care | 2 088 481 | 2 088 481 |  | 100% |
| Social Reintegration | 890 964 | 890 964 |  | 100% |
| **Total** | **20 588 554** | **20 588 675** | **(121)** | **100%** |

Source: Annual Report of the Department of Correctional Services 2015/16.

The table above shows that only programme: Incarceration had overspent by R121 000 which contributed to the overall overspending by the Department of that amount.

**Performance targets 2013/14-2015/16**

|  |  |  |  |
| --- | --- | --- | --- |
| **PERFORMANCE TARGETS** | **2013/14** | **2014/15** | **2015/16** |
| Number of planned targets during the financial year | 40 | 41 | 47 |
| Number of targets achieved | 23 | 28 | 29 |
| Number of target not achieved | 17 | 13 | 18 |
| Percentage level of performance | 58% | 68% | 62% |

Sources: Annual Reports of the Department of Correctional Services 2013/14-2015/16

The table above shows that out of 47 targets set for 2015/16 only 29 of those were achieved translating to 62% success rate of the overall targets. When compared to the previous financial year it is evident that performance of the Department has decreased from 68% (in 2014/15) to 62% (in 2015/16).

**6.2. Programme 1: Administration**

The following table highlights expenditure for the Administration Programme in 2015/16:

**Table 1: Financial performance**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main App R’000** | **Adjusted Appropriation****R’000** | **Virement****R’000** | **Final Appropriation****R’000** | **Actual Expenditure****R’000** | **Variance****R’000** | **% Expenditure** |
| 3 697 3  | 3 694 515 | 330 500 | 4 015 015 | 4 015 015 |  - | 100% |

**6.2.1 Programme expenditure (100%)**

The Administration Programme had a final appropriation of R4 015.015 billion and managed to spend 100% of the total allocation. In the previous financial year, the Administration Programme managed to spend 99.4% of the allocation. This means this programme has improved on its spending plan.

**6.2.2 Percentage of targets achieved: 50% (7 out of 14)**

The Administration Programme had a total of 14 targets for 2015/16 financial year. At the end of the financial year only 7 of the 14 planned targets were achieved.

The following table provides an overview of performance in terms of **selected** key targets:

***Table: 2 Performance in terms of selective targets for Administration[[5]](#footnote-5)***

|  |  |  |
| --- | --- | --- |
| **Output** | **Target** | **Target met/ Not met** |
| % of people rating DCS’ performance positive | 49% | **Not met** 40.5% |
| % of officials found guilty of corrupt activities | 92.7% | **Met**93% |
| % of correctional facilities including PPPs inspected on the conditions and treatment of inmates | 33% | **Met**33% |
| % of finalised legal cases successfully defended by DCS | 75% | **Not met**(Assessment and screening of cases on receipt not fully implemented due to inadequate legal capacity) |
| % of unnatural deaths reports received from DCS analysed and feedback provided to stakeholders within 30 days | 100% | **Not met**50% |
| % of security Virtual Private Network (VPN) upgrade to correctional centres | Security VPN tender awarded | **Not met**No tender awarded |
| % of funded positions filled  | 98% | **Not met**91% (resignations due to speculations on tax reforms contributed to non-achievement) |
| Number of officials trained in line with Workplace Skills Plan | 18 150 officials trained | **Met**29 351 officials trained |
| Number of Management Areas where Integrated Employee Health and Wellness programmes rolled out | 10  | **Met**10  |

**6.2.3 Vacancies**

The target in terms of filling of vacancies was not achieved by the Department of Correctional Services for the 2015/16 financial year. This target was also not achieved in 2014/15 financial year. As highlighted in the table above the target was to have 98% of funded vacant posts filled but the Department only managed to fill 91% of funded vacancies. One of the reasons raised for not achieving this target was resignations due to speculations about tax reforms. In addressing some of these challenges the Department has implemented measures which includes Operation Hira to attract professionals.

At **strategic level**, key vacancies were that of the Regional Commissioners: Limpopo/Mpumalanga/North-West (LMN), and Gauteng, CDC Human Resources.

In terms of **critical occupations**, the highest vacancy rate is visible in Medical Practitioners (61.1%), Pharmacists (23.5%), Psychologists and vocational counsellors (16.8%), Professional Nurses (16.5%) and Educationists (15.3%). The Report also provides a number of reasons why staff leave the Department. On top of the list is resignations (1 074), followed by expiry of contracts (851), retirement (339) and death (189).

**6.2.4 Equity**

The Annual Report shows that out of 175 people in top and senior management positions:

* 70 (69 in 2014/15) were women
* 105 (93 in 2014/15) were men.

The Department had a total of 257 (247 in 2014/15) employees with disabilities in 2015/16 financial year. Of this number, 165 were men and 92 were women.

**6.2.5** **Disciplinary and corruption cases**

The fight against corruption is a priority of Government as outlined in the 2015 SONA. The Annual Report shows that the overall number of disciplinary cases in DCS decreased from to 4 167 (in 2014/15) to 3 624 (in 2015/16). The number of reported theft, bribery, fraud, and corruption cases also shows a decrease from 210 (in 2014/15) to 139 (in 2015/16).

|  |
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| **Comments and Questions** * It is noted that although the Department managed to spend 100% of its allocation for Administration programme for 2015/16 only 50% of targets were achieved.
* The issue of vacancies especially at top management level continues to be a serious concern. The Committee should request the Department to provide a status update of the filling of vacancies for CDC HR, and Regional Commissioners for LMN and Gauteng.
* The Annual Reports of DCS and JICS continue to contradict each other on the number of inmates in correctional facilities. The DCS Report states that at the end of March 2015 there were 161 984 inmates (page 30) whereas the JICS Report states that there were 161 779 (page 44) in the same period. The Committee should request DCS and JICS to clarify this confusion.
* The Department could not achieve its target on the percentage of finalized legal cases successfully defended. According to the report, DCS has lost 23 cases in court. Reasons given for this is the inadequate internal legal capacity. The Committee should seriously monitor the legal capacity of the Department of Correctional Services and request the Department to provide their plans to address this challenge.
 |
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|  |
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**6.3** **Programme 2: Incarceration**

The following table highlights expenditure for the Incarceration Programme in 2015/16:

***Table: 3 Financial performance***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main Appr****R’000** | **Adjusted Appropriation****R’000** | **Virement****R’000** | **Final Appropriation****R’000** | **Actual Expenditure****R’000** | **Variance****R’000** | **% Expenditure** |
| 13 080 9 | 13 050 518 | (586 563) | 12 468 955 | 12 465 076 | (121) | 100.4% |

**6.3.1 Programme expenditure (100.4%)**

This Programme was allocated a final appropriation of R12. 468 955 billion and managed to spend 100.4% (R12 465 076 billion) of this amount. In the previous financial year, this programme managed to spend 99.3% of its allocation. Overspending was mostly on Sub-programmes 1. Security operations and 2: Facilities. Sub-programmes 4: Offender Management experienced underspending whereas Sub-programme 3: Remand Detention managed to spend all its allocated budget.

**6.3.2 Percentage of targets achieved (42% achieved)**

The Incarceration programme had a total of 12 targets for the 2015/16 financial year. At the end of the financial year, only 5 of planned targets were achieved. It must be noted that the **AG has raised concerns regarding reliability of reported performance information under this programme** and thus this performance cannot be taken at face value.

The following table provides an overview of performance in terms of **selective** key targets:

***Table: 4 Performance in terms of selective targets for Security***

|  |  |  |
| --- | --- | --- |
| **Output** | **Target** | **Target met/ Not met** |
| Reduction in assaults | 3.9%(6 069/155 620) | **Not met**5.43% (8 801/161 984) (high levels of gang activity and frustration due to overcrowding) |
| Reduction in escapes | 0.025%(39/155 620) | **Not met**0.044% (71/161 984) |
| Reduction in unnatural deaths | 0.034%(53/155 620) | **Not met**0.038% (62/161 984) |
| Increase the number of bed spaces  | 518 | **Not met**No bed spaces created |
| % of remand detention facilities where continuous risk assessment (CRA) is rolled out | Rollout of CRA at 14% (22/161) of DCS facilities.  | **Met**14% |
| Reduction of overcrowding | 31% or less(36 486/119 134) | **Not met**34% (40 197/119 134) |

**6.3.3 Assaults, unnatural deaths, gang violence and escapes**

According to the Annual Report, all targets related to safe detention of inmates in correctional centres could not be achieved in 2015/16 financial year. The table above shows that targets relating to assaults, unnatural deaths and escapes could not be achieved. According to the Report there were 8 801 reported cases of assaults, and 71 reported cases of escapes. When compared to the previous financial year, the number of assaults has seen an increase from 7 850 (in 2014/15) to 8 801 (in 2015/16). Again, when compared to the previous financial year, the number of escapes shows a significant increase from 49 (in 2014/15) to 71 (in 2015/16). According to the Commissioner’s report, out of 71 inmates who escaped a total of 57 were re-arrested leaving 14 escapees at large.

**6.3.4 Overcrowding and increasing bed spaces in correctional centres**

The Department of Correctional Services could not achieve its target of reduction in overcrowding to less than 31% for the year under review. In the year under review, the overcrowding rate stood at 34%. This is an increase from the previous financial year when overcrowding stood at 32%. Critical to reducing overcrowding is the increase in the number of bed spaces in correctional facilities. The Department had a target of increasing the number of bed spaces by 518 but this target was not achieved as no additional bed spaces were created.

|  |
| --- |
| **Questions and comments*** It is recommended that the Committee conduct an oversight visit to Van Rhyssdorp Correctional Centres which is said to be at 99.5% completion. This facility has been at the completion stage for a number of years now. The Committee should go and satisfy itself whether this facility is near completion or not.
* This programme has performed poorly for the year under review since only 42% of targets were achieved. This means that the majority of targets set for this programme were not achieved. It is a concern that even though more targets were not achieved, this programme managed to over-spend by R121 000 for the year under review.
* According to the Annual Report, a total of 71 inmates escaped and only 57 were re-arrested leaving 14 escapees at large. The Committee should request a briefing from the Department on circumstances leading to escapes and share findings of the investigations if any with the Committee.
* The Annual Report indicates that the reasons for not achieving the target for assaults in correctional centres is the high levels of gang activities and overcrowding within correctional facilities. The Department should indicate whether there are challenges with the implementation of the gang management strategy.
* The Department should accelerate its efforts on reducing overcrowding in correctional centres by creating additional bed spaces as planned.
 |

**6.4. Programme 3: Rehabilitation**

The following table highlights expenditure for the Rehabilitation Programme in 2015/16:

***Table: 5 Financial performance***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main Appro****R’000** | **Adjusted Appropriation****R’000** | **Virement****R’000** | **Final Appropriation****R’000** | **Actual Expenditure****R’000** | **Variance****R’000** | **% Expenditure** |
| 1 152.0 | 1 155 293 | 26 154 | 1 129 139 | 1 129 139 |   - | 100% |

**6.4.1 Programme expenditure (100%)**

The final appropriation of the Rehabilitation programme was R1 129 139 billion of which R1 129 139 billion was spent, which constitutes 100% spending of the allocation. This Programme managed to spend 91.9% of the allocated budget in 2014/15. This shows a significant improvement in expenditure for this programme.

**6.4.2 Percentage of targets achieved (78%)**

The Rehabilitation Programme had a total of nine targets for the 2015/16 financial year. At the end of the financial year, 7 of the planned targets were achieved which translates to 78% success rate. It must be noted that the **AG has raised concerns regarding reliability of reported performance information under this programme** and thus this performance cannot be taken at face value.

The following table provides an overview of performance in terms of key targets:

***Table: 6 Performance in terms of selective targets for Rehabilitation***

|  |  |  |
| --- | --- | --- |
| **Output** | **Target** | **Target met/ Not met** |
| Percentage of offenders subjected to correctional programmes per year | 68%(64 452/94 778) | **Met** 74.30%(75 595/101 740) |
| Percentage of offenders who participate in skills development programmes | 80% skills training(3 500/4 370)80% TVET college(4 051/5 069) | **Met** 91%(4 225/4 668)**Met**84% (3 182/3 799) |
| Percentage of inmates who benefit from spiritual services  | 54%(83 310/154 278) | **Met**83.87%(133 826/159 563) |
| Percentage of offenders in educational programmes as stipulated in their sentence plans | AET: 11 007FET: 548 | **Not met** 10 437**Met**1 111 |
| Percentage of inmates involved in psychological programmes | 15%(23 343/155 620) | **Met**20%(32 523/161 984) |

**6.4.3 Formal education and skills development**

Offender education and skills development form part of Sub-programme: Offender Development. This sub-programme provides programmes and services to offenders to increase their level of education and skills acquisition. Under this sub-programme the Department of Correctional Services managed to achieve 4 out of 5 targets. A total of 1 111 offenders participated in FET against a target of 548 which means the target was exceeded whereas on the other hand the target for 11 007 offenders involved in AET programme could not be achieved as only 10 437 offenders participated. Some of the reasons provided for non-achievement of this target includes offender drop out as well as the burning of Glencoe Correctional Centre. All targets under skills programmes were exceeded in the year under review. In this regard, the Department managed to provide skills training to 91% (4 225) of offenders and provide TVET college programmes to 84% (3 182) of offenders.

**6.4.4 Psychological, Social and Spiritual services**

The purpose of Sub-programme: Psychological, Social and Spiritual services is to manage and ensure the rendering of needs-based psychological, social and spiritual services to sentenced offenders and persons under correctional supervision; aimed at improving their physical and emotional well-being, and assisting their rehabilitation and re-integration into the community. Under this sub-programme, the Department managed to achieve 2 out of 3 targets set for the year under review. The target which was not achieved relates to access to social workers by incarcerated offenders and those sentenced to correctional supervision. For this indicator the target was 67% but the department only managed to achieve 49.40% in the year under review.

|  |
| --- |
| **Questions and comments*** It is worth noting that the Department managed to spend 100% of its allocation under this programme for the year under review, however, only 78% of targets were achieved. This shows that there is no direct positive relationship between expenditure and performance.
* The Department could not achieve its target of a number of offenders involved in social work programmes. Reasons for this is said to be problems in the filling of vacant social work positions. The Report highlights that the vacancy for social workers was 3.7% for 2015/16. The vacancy rate for social workers seems quite very low (3.7%) for it to be ascribed as a cause for non-achievement of targets under this programme. The Committee should further probe the department on this low vacancy rate
* The Committee should request an update from the Department on the development of a framework on repeat offending.
* The Committee should also request the Department to provide information related to the number of schools registered with the Department of Basic Education as full-time schools in correctional centres.
 |

**6.5. Programme 4: Care**

The following table highlights expenditure for the Care Programme in 2015/16:

***Table: 7 Financial performance***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main Appro****R’000** | **Adjusted Appropriation****R’000** | **Virement****R’000** | **Final Appropriation****R’000** | **Actual Expenditure****R’000** | **Variance****R’000** | **% Expenditure** |
| 1 796.3 | 1 796 262 | 292 219 | 2 088 481 | 2 088 481 |  - | 100% |

**6.5.1 Programme expenditure (100%)**

The Care Programme was allocated a final appropriation amount of R2.1 billion and managed to spend 100% of this allocation. This programme shows a positive trend in terms of expenditure since it managed to spend 100% of its allocation in the previous financial year.

**6.5.2 Percentage of targets achieved (60%)**

The Care Programme had a total of five targets for 2015/16 financial year. At the end of the financial year three (3) out of five (5) targets for this programme were achieved.

The following table provides an overview of performance in terms of targets under the Care programmes:

***Table: 8 Performance in terms of targets for Care***

|  |  |  |
| --- | --- | --- |
| **Output** | **Target** | **Target met/ Not met** |
| Percentage of therapeutic diets prescribed for inmates  | 15%(23 343/155 620) | **Not Met**9.06%(14 674/161 984) |
| Percentage of inmates tested for HIV who know their results | 80%(124 496/155 620) | **Met**123.31% (199 750/161 984) |
| Percentage of inmates on antiretroviral therapy (ART)  | 96%(21 788/22 696) | **Met**98.10% (21 722/22 1142) |
| TB Cure rate  | 85%(2 270/2 670) | **Not met**83.43% (1 239/1 485) |
| Number of Management Areas with effective management of health care waste services | 6 | **Met**6 |

**6.5.3 Health Care**

The purpose of the Care Programme is to provide needs-based care programmes aimed at maintaining the well-being of incarcerated persons in the Department’s care. According to the Annual Report, the Department managed to achieve 60% of its targets under this programme. According to the table above, targets that were achieved included: percentage of inmates tested for HIV, and percentage of inmates on ART. As compared to the previous financial year, the number of inmates tested for HIV has increased by 22 578 while the number of those inmates on ART increased by 4 196.

**Nutrition Services**

This sub-programme provide inmates with appropriate nutritional services during the period of incarceration. The strategic objective for this sub-programme is to provide inmates with appropriate nutritional services. According to the Annual Report the target for this sub-programme was not achieved as shown on the table above. The reason provided for non-achievement is the inconsistent efforts by management areas and regions to control, monitor and evaluate therapeutic diets. It must be noted that even in the previous financial year the target for this indicator was not achieved. According to the Report of the inspecting Judge, in 64% of centres inspected for 2015/16 financial year, DCS did not adhere to the time interval between supper and lunch. In another 44% of centres inspected the findings indicated that double up meals were served.[[6]](#footnote-6) This has a negative effect especially on inmates who should take their medication with meals.

|  |
| --- |
| **Questions and comments*** The Committee should find out from the Department how many facilities were accredited as ARV sites at the end of 2015/16 financial year?
* Of the total number of 199 750 inmates who tested for HIV, how many have tested positive? How many are (a) sentenced offenders and (b) remand detainees?
* Of the 21 722 inmates who were on ARVs in the year under review, how many of them were (a) sentenced offenders and (b) remand detainees?
* The issue of inmates with mental illness in correctional centres is a concern. For the year under review, how many inmates were in correctional centres who were diagnosed with mental illnesses? And what are the plans of the Department regarding this category of inmates in correctional centres?
* Although the Department managed to spend 100% of the allocated budget under this programme only 60% of targets were reached. Again this shows the lack of positive relationship between expenditure and performance.
 |

**6.6. Programme 5: Social Reintegration**

The following table highlights expenditure for the Social Reintegration Programme in 2015/16:

***Table: 9 Financial performance***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Main Appropriation****R’000** | **Adjusted Appropriation****R’000** | **Virement****R’000** | **Final Appropriation****R’000** | **Actual Expenditure****R’000** | **Variance****R’000** | **% Expenditure** |
|  891.2 | 890 966 | (2) | 890 964 |  890 964 |  - | 100% |

**6.6.1 Expenditure performance (100%)**

The Social Reintegration Programme was allocated a final appropriation of R890 964 million and managed to spend 100% of that allocation. This programme also shows a positive trend in their spending pattern since it managed to spend 100% of its allocation in the previous financial year.

**6.6.2 Percentage of targets achieved (86%)**

The Social Reintegration Programme had a total of seven targets for 2015/16 financial year. At the end of the financial year six out of these seven targets under this programme were achieved.

The following table provides an overview of performance in terms of selected key targets:

***Table: 10 Performance in terms of selective targets for Development***

|  |  |  |
| --- | --- | --- |
| **Output** | **Target** | **Target met/ Not met** |
| Percentage of cases submitted by Case Management Committees (CMCs) and considered by Parole Boards | 87%(36 839/42 340) |  **Met**96.52% (41 942/43 453) |
| Percentage of parolees without violations | 95%(55 576/58 492) | **Met**98.78% (51 307/51 397) |
| Percentage of probationers without violations | 94% | **Met**98.65% (16 416/16 640) |
| Number of victims and offenders participating in restorative justice programmes  | 6 000 victims/76 985 probationers and parolees | **Not met**6 491 victims/3 630 offenders |
| Number of person placed under EMS  | 1.3%(1 000/78 221) | **Not Met**1.11%(870/78 221) |
| Number of parolees reintegrated through halfway house partnerships | 79%(110/140) | **Met** 79.28%(111/1140\_ |
| Number of service points established in community corrections | 18 points established | **Met**103 |

**6.6.3 Correctional Supervision and Parole Boards (CSPBs)**

The purpose of the Social Reintegration Programme is to provide services focused on offenders’ preparation for release, their effective supervision after release on parole, and the facilitation of their social reintegration into the community.[[7]](#footnote-7) In this Programme, 86% of targets were achieved. The only target not achieved related to victim and offender participation in restorative justice processes. The reasons provided relates to challenges in tracing victims as well as lack of buy-in from offenders and victims. The Department should invest in their awareness campaigns on the importance and benefits of restorative justice to both victims of crime as well as offenders. The Department managed to succeed in their targets of probationers and parolees who did not violate their conditions. This is in line with their policy priorities for the 2015/16 and the medium term of building safety by reintegrating offenders into communities as law abiding citizens and effectively managing non-custodial sentences and parole.

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| **Comments and Questions*** The Department managed to spend 100% of their allocated budget but only 86% of target were achieved. Again there is no positive relationship between expenditure and performance under this programme.
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# 7. REPORTS OF THE AUDIT COMMITTEE, AUDITOR GENERAL AND ADDITIONAL INFORMATION IN THE FINANCIAL REPORT

**7.1. Report of the Audit Committee**

**Effectiveness of Internal Control**: The Audit Committee has observed improvements in the overall control environment of the Department of Correctional Services. The Committee was satisfied with DCS’ efforts to resolve matters raised during the audit of the previous financial year, however there are still some issues which have not yet been resolved which include the followings:

* Performance information
* Record keeping
* Information Technology
* Human Resources Management
* Compliance with laws and regulations
* Contract and Procurement Management
* Debtors Management
* Irregular, Fruitless and Wasteful Expenditure.[[8]](#footnote-8)

**In-Year Management and Monthly/Quarterly Reports:** The Audit Committee indicated that it was again not satisfied with the content and quality of quarterly performance information reports prepared and issued by the DCS. It is worth noting that the same dissatisfaction was raised by the Audit Committee in the previous financial year.[[9]](#footnote-9) .

**7.2. The findings of the Auditor-General**

**The DCS received an unqualified audit status for the first time since 1994.** The Auditor-General has, however, raised certain findings regarding the reliability of reported performance information as well as the usefulness of reported performance information.

**Report on predetermined objectives**:

**Programme 2: Incarceration**: The AG could not obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements. In addition, the AG noted that the reported performance information was not reliable when compared to the evidence provided.

**Programme 3: Rehabilitation**: Again, the AG could not obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements. In addition, the AG noted that the reported performance information was not reliable when compared to the evidence provided.

**Programme 4: Care:** The AG noted that reasons provided for variance between planned targets and actual achievements were not reliable when compared to the evidence provided. In addition, the AG stated that, the reported performance information was not reliable when compared to the evidence provided.

**Compliance with laws and regulations**

* **Strategic planning**: The Accounting Officer did not always ensure that the Department had and maintained effective, efficient and transparent systems of risk management and internal controls as required by Section 38(1)(a)(i) of the PFMA. The AG noted that departmental systems to collate and report performance information are not adequate.

**Procurement and Contract Management**

* Contracts were awarded to bidders that did not score the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.
* Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury regulation 16A6.1.
* IT related goods and services, classified as mandatory were not procured through SITA, as required by Treasury regulation 16A6.3(e )
* Persons in service of the Department who had a private or business interest in contract awarded by the Department failed to declare such interest, as required by Treasury regulation 16A8.4
* Persons in service of the Department whose close family members, partners or associate had a private or business interest in contract awarded by the Department failed to disclose such interest, as required by Treasury regulation 16A8.4.

**Governance**

The AG has noted that the Department has an internal audit function, however, the internal audit unit was not effective.

**Expenditure Management**

The AG reported that effective steps were not taken to prevent irregular expenditure and fruitless and wasteful expenditure, amounting to R219 332 000 and R1 714 000 respectively as required by section 38(1) (c ) (ii) of the PFMA and Treasury regulation 9.1.1.

**Financial and performance management**

* The report of the AG notes that information from the Department was not always readily available on request, especially information relating to predetermined objectives
* Again, the Department did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information
* The financial statement and other information to be included in the Annual Report were not adequately reviewed for accuracy and completeness by management, while monitoring of compliance with laws and regulations was inadequate.

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| **Comments and Questions** * The issue of persons in the service of the Department whose family members, partners or associates had private or business interests in contracts awarded by the Department and failed to disclose such it’s a recurring challenge as raised by the AG in previous financial years. The Committee should request the Department to provide it with report on measures taken to address this issues and what consequence management is applied to such individuals.
* The issue of contract and procurement management is a serious concern. The Portfolio Committee should follow up on this issue and request a detailed explanation from the Department on contracts awarded to bidders that did not score highest points in the evaluation process.
* Record keeping and performance information remains a challenge for DCS. The Portfolio Committee should continue to monitor the Department’s performance information quarterly until the Department shows some improvements. In addition, the Committee should keep on scrutinising reasons provided by the Department on reasons for variance between targets and actual performance.
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**7.3. Additional information contained in the Financial Statements**

**Fruitless, Wasteful and Irregular Expenditure**

**Fruitless and wasteful expenditure** in the DCS has decreased from R27 million in 2014/15 to R1.7 million in 2015/16. According to the Annual Report, the main contributor of this fruitless and wasteful expenditure for 2015/16 was the amount of R1.6 million as a result of interest charged on overdue accounts. This was followed by an amount of RR74 000as a result of travel cancellation.

**Irregular expenditure** (closing balance) has increased from R287 514 million (in 2014/15) to R494 911 million (2015/16). A total of R219 333 million was incurred in 2015/16. For the year under review details of irregular expenditure includes an amount of R106 million relating to State Information Technology Agency (SITA) Act not complied with (the bulk of the irregular expenditure incurred), R102 million relating to bid not being followed, R8 million for deviation from transversal contracts/transversal contracts expired and R2.3 million relating to official who did not declare interest.

**Revenue**: Departmental revenue decreased from R139 752 million (2014/15) to R129 317 million (2015/16). This revenue was collected from amongst others; fines, penalties, sales of capital assets, sales of goods and services other than capital assets, as well as from financial transactions in assets and liabilities. A large share of this revenue came from sales of goods and services other than capital assets (R56 028 million); and from financial transactions in assets and liabilities (R45 575 million).

**Compensation of Employees**: Expenditure on compensation of employees increased from R12 611 511 billion (2014/15) to R13 189 485 billion (2015/16). Salaries took 80 % (R8 595 703 billion) of the total personnel costs. The Annual Report shows that payment on performance bonuses decreased from R97 240 million (2014/15) to R2 425 million (2015/16). Medical Aid contributions increased from R1 057 187 billion (2014/15) to R1 252 673 billion (2015/16).

**Goods and Services:** Expenditure on Goods and Services increased from R5.8 billion (2014/15) to R6.1 billion (2015/16). From this amount (R6.1 billion), an amount of R1.9 billion was spent on operating leases. Another amount of R937 million was spent on property payments. Consultants: Business and advisory support decreased from R40.5 million (2014/15) to R29 million (2015/16).

**Computer services:** Expenditure on computer services increased from R76.4 million (2014/15) to R114 million (2015/16). SITA accounted for the large share of this amount (R108 626 million). The remaining amount of R5 million (R6 million in 2014/15) went to external computer service providers.

**Claims against the Department**: Claims against the Department decreased from R155 847 million (in 2014/15) to R58 701 million (in 2015/16). These claims include, amongst others; damages (R17 264 million); bodily injury/assaults (R11 513 million); unlawful detention (R3 769 million); and rape (R20, 440 million). The Report indicates that during the 2015/16 financial year the Department managed to pay/cancel/reduce liabilities totalling R26 188 million.

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| **Comments and Questions** * The Committee should find out from the Department what contributed to an increase in SITA computer services from R70 million (in 2014/15) to R114 million (in 2015/16)
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# 8. CONCLUSION

Overall, a few observations can be made:

* The Department should be commended for receiving an unqualified audit for the year under review
* Although a number of targets were achieved, this is somehow not comforting in light of the AG’s report regarding the reliability of information supplied by the Department with regards to indicators and targets. The Department needs to work on addressing this issue as raised by the AG.
* The Portfolio Committee should put more focus on the issue of reliability of performance information supplied by the Department and encourage the Department to find ways of resolving this issue.
* It is a concern that the Department managed to spend 100% of their budget in the year under review but only managed to achieve 62% of their targets for the year. This clearly shows that there is no positive relationship between expenditure and performance.
* The Department needs to invest on their internal audit capacity and continue to pay attention to the audit committee’s recommendations.

# References:

Annual Report of the Department of Correctional Services, 2015/16

Annual Report of the Department of Correctional Services, 2014/15

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

1. Mathabathe, M (2015). Research Analysis of the 2015 State of the Nation Address. [↑](#footnote-ref-1)
2. National Treasury. Estimates of National Expenditure 2015 [↑](#footnote-ref-2)
3. Annual Report of the Department of Correctional Services for 2015/16 [↑](#footnote-ref-3)
4. Ibid [↑](#footnote-ref-4)
5. Note: This analysis does not include all the targets reported on in the 2015/16 Annual Report. [↑](#footnote-ref-5)
6. Ibid [↑](#footnote-ref-6)
7. Annual Report of the Department of Correctional Services 2014/15 [↑](#footnote-ref-7)
8. Annual Report of the Department of Correctional Services, 2015/16 [↑](#footnote-ref-8)
9. Annual Report of the Department of Correctional Services, 2014/15 [↑](#footnote-ref-9)