**3. BUDGET REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON POLICE ON THE CIVILIAN SECRETARIAT FOR POLICE (CSP), DATED 21 OCTOBER 2016**

The Portfolio Committee on Police, having considered the financial and service delivery performance of the Civilian Secretariat for Police (CSP) for the 2015/16 financial year, reports as follows:

**1. INTRODUCTION**

**1.1 Description of the core functions of the Secretariat**

The Civilian Secretariat for Police (CSP) derives its mandate from the Constitution and the Civilian Secretariat for Police Service Act No 2 of 2011. Section 208 of the Constitution states that a Civilian Secretariat for the Police should be established by national legislation to function under the direction of the Minister of Police.

The CSP became a designated department with the Secretary for Police as the Accounting Officer in April 2014 and until then, was still functioning as a cost centre under the Administration Programme (Programme 1) of the SAPS in 2014/15. For the purposes of the 2015/16 financial year, the Secretariat no longer functions under the auspices of the SAPS.

**1.2 Purpose of the BRR Report**

Section 5 (2) of the Money Bills Procedures and Related Matters Amendment Act (Act 9 of 2009) allows for each Committee to compile a budgetary review and recommendation report (BRRR) which must be tabled in the National Assembly. Section 5(3) provides for a budgetary review and recommendation report to contain the following:

a) an assessment of the department’s service delivery performance given available resources;

b) an assessment on the effectiveness and efficiency of departments use and forward allocation of available resource; and

c) recommendations on the forward use of resources

In October of each year, portfolio committees must compile Budgetary Review and Recommendation Reports (BRRR) that assess service delivery performance given available resources; evaluate the effective and efficient use and forward allocation of resources; and may make recommendations on the forward use of resources. The BRRR are also source documents for the Standing/Select Committees on Appropriations/Finance when they make recommendations to the Houses of Parliament on the Medium-Term Budget Policy Statement (MTBPS). The comprehensive review and analysis of the previous financial year’s performance, as well as performance to date, form part of this process.

The Portfolio Committee has overseen the performance of the Department for the 2015/16 financial year and the Committee was briefed on the annual performance for 2015/16 of the Department on 13 October 2016. The Committee also met with the Auditor-General on the audit outcomes on 11 October 2015.

This report is structured as follows:

* Section 1: Sets out the mandate of the Committee, the purpose of this report (Budgetary Review and Recommendation Report) and the process to develop this report.
* Section 2: Provides an overview of the CSP’s Budget and spending for 2015/16 as well as for part of 2015/16 (first quarter) and sets out the Department’s MTEF submission to National Treasury for 2017/18.
* Section 3: Summarises the 2015/16 report of the Auditor General for the CSP.
* Section 4: Summarises performance information per Programme for 2015/16.
* Section 5: Highlights key observations of the Committee with respect to financial and performance information for 2015/16.
* Section 6: Summarises additional information requested from the Department in deliberations and other reporting requirements.
* Section 7: Summarises recommendations of the Committee.
* Section 8: Conclusion.

**1.3 Response of the Minister of Finance to Portfolio Committee recommendations**

During the 2015 Budget Review and Recommendation Report (BRRR) of the Portfolio Committee, it made the following recommendation with respect to the Civilian Secretariat:

 *The Committee recommends that the Secretariat develops a plan to fill all outstanding vacancies that existed in the 2014/15 financial year. The department attributed its inability to fill vacant posts to the decision of the National Treasury not to allocate additional resources to the Secretariat.*

The Minister of Finance in his response to the recommendation suggested the following with respect to the Civilian Secretariat filling its vacant posts and managing its budget:

*The National Treasury agrees with the Committee’s recommendation that the Secretariat should fill all its vacant posts. However, the National Treasury would like to emphasise that only funded vacant posts should be filled by the Department. In 2014/15, the department had an adjusted budget of R69.4 million for compensation of employees, of which R60.9 million was spent at the end of the financial year and R8.5 million was reported as underspending on compensation of employees. The number of vacant posts at the end of the 2014/15 financial year was reported to be 7 thereby implying that if the average unit costs per vacant post is R1.2 million (R8.5 million divided by 7) which is at the level of a chief director , then there are sufficient funds on the department’s baseline to fill vacant posts.*

The decision by National Treasury places an obligation on the Civilian Secretariat to effectively manage its budget with respect to Compensation of Employees with much more prudence.

**2. OVERVIEW OF CSP BUDGET AND EXPENDITURE**

**2.1. Financial performance for 2015/16 FY**

By the end of the 2015/16 financial year, the Secretariat managed to spend 98.9% of its allocated budget of R113.184 million, which is a significant improvement on the previous financial year (82.6% spend of Final Appropriation). However, the Secretariat applied significant virements to its Main Appropriation as well as post-AENE virements to their Adjusted Allocation in the fourth quarter of the financial year to mitigate the variances in expenditure between the Budget Programmes of the Secretariat, with some ahead of expenditure and some behind (giving an overall positive expenditure). Although the total Appropriation amount remained constant throughout the financial year, the main allocations between programmes changed significantly.

**Table 1: Departmental Appropriation 2015/16**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  **Programmes** | **Adjusted Appropriation**(R’000)  | **Final Appropriation** (R’000)  |  **Virements** (R’000) | **Actual Expenditure** (R’000) | **(Over)/Under Expenditure** (R’000)  | **% Spent**(R’000)  |
| **Administration**  | 41 841 | 41 234 | (607) | 40 960 | 274 | 99.3% |
| **Intersectoral Coordination and Strategic Partnerships**  | 23 889 | 26 739 | 2850 | 26 569 | 170 | 99.4% |
| **Legislation and Policy Development**  | 24 792 | 24 362 | (430) | 24 349 | 13 | 99.9% |
| **Civilian Oversight, Monitoring and Evaluation**  | 22 662 | 20 849 | (1 813) | 20 014 | 835 | 96.0% |
| **Total**  | **113 184** | **113 184** | **0** | **111 892** | **1 292** | **98.9%** |

 **Source: CSP 205/16 Annual Report**

The budget of **Programme 1: Administration** decreased by a total of R5.4 million during the 2015/16 financial year, from a Main Appropriation of R46.6 million to a Final Appropriation of R41.2 million, which decreased the underspending recorded by this programme significantly. At year-end, the programme spent 99.3% of its Final Appropriation. Without the virement that was applied to the Administration Programme, it would have spent 87.7% of its Main Appropriated budget.

The budget of the **Intersectoral Coordination and Strategic Partnerships Programme** was increased with R5.1 million during the 2015/16 financial year, from a Main Appropriation of R21.6 million to a Final Appropriation of R26.7 million, which decreased the would-be over expenditure significantly. The virements allowed the programme to record a year-end expenditure of 99.4%. Without the virement, the programme would have recorded an overspending on its budget of 122%.

The budget of the **Legislation and Policy Development Programme** was decreased slightly during the 2015/16 financial year, from a Main Appropriation of R24.4 million to a Final Appropriation of R24.3 million. The slight virement allowed the Programme to record a year-end expenditure of 99.9%.

The budget of the **Civilian Oversight, Monitoring and Evaluation Programme** changed slightly during the 2015/16 financial year, from a Main Appropriation of R20.6 million to a Final Appropriation of R20.8 million. The Secretariat spent a total of R20.849 million at year-end, which is 95.8% of its Final Appropriation.

**3. REPORT OF THE AUDITOR-GENERAL**

The Auditor-General (AG) Report on the Secretariat’s performance for the 2014/15 highlighted a number of issues as indicated below.

**3.1 Qualified Audit Opinion**

The Secretariat in 2015/16 received a qualified audit opinion for the second year in a row. The Auditor-General raised a number of emphasis of matters which the Department has not complied with and which the Portfolio Committee has also raised. In 2015/16, the financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the Public Finance Management Act. Additionally, material misstatements of expenditure for capital assets, employee benefit, irregular expenditure, key management personnel and commitments identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion. This problem can be attributed to an attempt to merely comply with the need to submit financial statements rather than ensuring that those financial statements are accurate.

The Audit Report of the AG is the only independent assessment of the quality of financial statements, including all its disclosures. The role of the AG is to comment on the reasonableness and fairness of the annual financial statements submitted by the Secretariat.

The matters which was raised by the AG include:

**3.1.1 Accruals**

The AG was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for accruals. As disclosed in note 19 to the financial statements, the restatement was made in order to rectify a prior year (2015) misstatement. The AG was unable to confirm the restatement by alternative means. Consequently, the AG was unable to determine whether any adjustment to the accruals corresponding figure stated at R14.9 million in the financial statements was necessary. Additionally, the Department did not have adequate systems in place to maintain records of accruals where goods have been received or services have been rendered. It was impracticable to determine the value of the misstatement. Consequently the accruals amount as disclosed in note 19 of the Annual Report is misstated.

**3.1.2 Receivables**

The Department did not present receivables balance in accordance with Modified Cash Standard. Included in the balance of receivable as disclosed in note 10 is an amount of R5.7 million which did not meet the definition of receivables as described in Modified Cash Standard. Consequently, receivables are overstated by R5.7 million and goods and services are understated by R5.7 million respectively. Additionally, there is a consequential impact on the surplus for the period and on the accumulated surplus.

The following emphasis of matter was made by the AG:

**3.1.3 Restatement of corresponding figures**

The corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 2015/16 financial year in the financial statements of the Civilian Secretariat for Police at, and for the year ended, 31 March 2015.

**3.1.4 Significant uncertainties**

The Department is a defendant in a lawsuit of R2.6 million lodged by WingsNaledi (flights), of which the ultimate outcome of this matter cannot currently be determined, and as a result no provision for any liability has been made in the financial statements.

**3.2 Predetermined objectives**

The AG performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented by the Secretariat on the following three (3) programmes of the Secretariat:

* Programme 2: Intersectoral Coordination and Strategic Partnerships;
* Programme 3: Legislation and Policy Development; and
* Programme 4: Civilian Oversight, Monitoring and Evaluation.

The AG evaluates the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury’s annual reporting principles and whether the reported performance was consistent with the planned programmes development. The AG also performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant (SMART), as required by the National Treasury’s Framework for managing programme performance information (FMPPI).

The material findings in respect of the selected programmes are as follows:

**3.2.1 Programme 2: Intersectoral Coordination and Strategic Partnerships**

In terms of the usefulness of reported performance information of the Intersectoral Coordination and Strategic Partnerships Programme, the AG reported as follows:

* **Measurability of indicators and targets**
* A total of 78% of targets were not specific and 56% were not measurable.
* A total of 78% of indicators were not well defined.
* Reliability of reported performance information
* The AG stated that the reported performance information was not reliable when compared to the evidence provided.

**3.2.2 Programme 3: Legislation and Policy Development**

In terms of the usefulness of reported performance information of the Legislation and Policy Development Programme, the AG reported as follows:

* **Measurability of indicators and targets**
* A total of 33% of targets were not specific and 67% were not measurable.
* A total of 50% of indicators were not well defined.
* **Reliability of reported performance information**
* The AG did not identify any material findings on the reliability of the reported performance information for Programme 3: Legislation and Policy Development.

**3.2.3 Programme 4: Civilian Oversight Monitoring and Evaluation**

In terms of the usefulness of reported performance information of the Civilian Oversight Monitoring and Evaluation Programme, the AG reported as follows:

* **Measurability of indicators and targets**
* A total of 25% of targets were not specific, meaning that 25% of targets are not specific in clearly identifying the nature and required level of performance and measurable and specify the period or deadline for delivery.
* A total of 25% of indicators were not well defined, meaning that 25% of performance indicators did not allow for data to be collected consistently and were not easy to understand and use.
* **Reliability of reported performance information**
* The reported achievements against planned targets for 12.5% of indicators were not reliable when compared to the evidence provided.

**3.3 Compliance with legislation**

In terms of compliance with legislation, the AG made the following findings:

**3.3.1 Annual Financial Statements and Annual Performance Report**

* The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the Public Finance Management Act.
* Material misstatements of expenditure for capital assets, employee benefit, irregular expenditure, key management personnel and commitments identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

**3.3.2 Procurement and Contract Management**

* Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
* Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1 (d) and the Preferential Procurement Regulations.
* Quotations 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.
* Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.

**3.3.3 Expenditure Management**

* Contractual obligations and/or money owed by the Secretariat were not settled within 30 days, as required by section 38(1) (f) of the Public Finance Management Act and Treasury Regulation 8.2.3.
* Effective steps were not taken to prevent irregular expenditure, amounting to R22.2 million as disclosed in note 22 of the Annual Financial Statement, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

**3.3.4 Internal control**

In terms of internal control, the matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion:

**Leadership**

* There was ineffective review and monitoring of controls in place to ensure, accurate and valid financial and performance information reported.
* There was inadequate monitoring of the performance of the system of internal controls regarding procurement and contract management to prevent irregular expenditure.
* Financial and performance management
* There was inadequate review and monitoring of compliance with laws and regulations.
* There was inadequate monitoring of the performance of the system of internal controls regarding procurement and contract management to prevent irregular expenditure.

**Governance**

 Actions are not taken in a timely manner to address the risks relating to the achievement of complete and accurate financial and performance reporting as well as compliance with laws and regulations.

**3.4 GOVERNANCE FRAMEWORK**

**3.4.1 Service Delivery Improvement Plan**

The Secretariat does not have a Service Delivery Improvement Plan. The plan will be developed in the 2016/17 financial year.

**3.4.2 Report of the CSP Audit Committee**

The Report of the Audit Committee deals with the findings of the Department’s Internal Audit Unit, and highlights areas of risk that require attention. All government departments must prepare a risk management plan, which the Audit Committee uses to assess whether the department’s internal operations deal adequately with the risks identified in the Risk Management Plan, and also whether the Risk Management Plan itself deals with the key risks that any department faces.

The Secretariat’s systems of internal control are designed to provide assurances, inter alia, that assets are safeguarded and that liabilities and working capital are managed effectively and efficiently. However significant internal control deficiencies were found which resulted in the basis for the qualification by the AG. Management is in a process to attend to these deficiencies. Internal Audit will do a follow-up regarding rectifying the shortcomings.

The internal auditors continued during the review period to provide the Audit Committee and management with independent information and assurances of the effectiveness of the internal controls of those areas examined in terms of the Internal Audit Plan based on the risk assessment. Internal Audit reported that they have a shortage of staff. As reported last year the Acting Accounting Officer is looking into this challenge.

The Audit Committee is satisfied with the content and quality of the management reports prepared and issued by the Secretariat for the period under review.

There are certain shortcomings in the risk management strategy of the Secretariat management is aware of them and is currently attending to the shortcomings.

The Audit Committee has met with the Auditor-General SA to ensure there are no unresolved issues at 31 July 2016. The Audit Committee concurs with the audit opinion of the AGSA.

**3.4.2 Irregular expenditure**

The Secretariat incurred irregular expenditure to the amount of R14.7 million during the 2015/16 financial year, which is a significant increase from the previous financial year in which irregular expenditure amounted to R7.6 million. Of the R14.7 million only R295 thousand was condoned.

**3.4.3 Fruitless and wasteful expenditure**

The Secretariat paid R1 000.00 interest to the South African Revenue Service (SARS), which is still under investigation.

**3.4.4 Claims against the Department**

The Secretariat had legal action brought against it by WingsNaledi in the amount of R2.6 million. The AG highlighted this as a significant uncertainty as the ultimate outcome of this matter cannot currently be determined, and as a result no provision for any liability has been made in the financial statements.

 **4. PROGRAMME PERFORMANCE**

The Secretariat achieved 30 targets out of a total 62 identified performance indicators, which is less than half of its targets (48%). The overall performance information presented by the Secretariat should be considered in the context of the material findings made by the AG on the usefulness and reliability of the reported performance of the Secretariat.

Although the Intersectoral Coordination and Strategic Partnerships Programme performed the best out of all the Programmes of the Secretariat (55.6%), the AG made a blanket statement that the reported performance information was not reliable when compared to the evidence provided. The Civilian Oversight Monitoring and Evaluation Programme recorded significant

Underperformance, as it achieved only 31.3% of its performance targets during the 2015/16 financial year (5 out of 16 targets) and the AG found 12.5% of its performance information not to be reliable when compared to evidence provided. Given that the Secretariat has a critical role to play in overseeing the performance of the South African Police Service (SAPS), it is important for core programmes to improve its performance in line with service delivery objectives.

**4.1 Programme 1: Administration Programme**

The purpose of the Administration Programme is to provide administrative support, strategic leadership and management for the Department.

The budget of Programme 1: Administration decreased by a total of R5.4 million during the 2015/16 financial year, from a Main Appropriation of R46.6 million to a Final Appropriation of R41.2 million, which decreased the underspending recorded by this programme significantly. At year-end, the programme spent 99.3% of its Final Appropriation. Without the virement that was applied to the Administration Programme, it would have spent 87.7% of its Main Appropriated budget.

**Table 2: Expenditure for Programme 1: Administration Programme**

|  |  |  |
| --- | --- | --- |
| **1: Administration**  | **2015/16** | **2014/15**  |
| Final Appropriation (R’000)  | 41 234 | 31 557  |
| Actual Expenditure (R’000)  | 40 960 | 31 163  |
| Expenditure as % of total (%)  | 99.3% | 98.8%  |
| Variance/Over/Under-Expenditure (R’000)  | (R1 234) million | R394 000  |

**Source: 2015/16 CSP Annual Report**

**4.2 Programme Performance: Administration**

The Administration Programme identified a total of 31 performance targets in its 2015/16 APP, of which 17 targets were achieved and 14 targets were not achieved, giving the programme an overall performance rating of 54.8%.

The following key targets were recorded as under-performance during 2015/16.

* The Secretariat failed to conduct four (4) joint consultative meetings with the IPID, which should be a significant concern. The Secretariat did not provide any reason for the variance between planned and actual performance. Three (3) meetings were held.
	+ Two targets were ‘misplaced in the APP and will be factored into the operational plan of the Secretariat (Registry Policy and File Plan). However, these targets was included in the 2015/16 APP and should be reported on in the 2015/16 Annual Report.
	+ The Persal System was not implemented effectively, as regular updates on the system are not done timeously and some information was missing from the System.
	+ Due to the ineffective Persal system, the Employment Equity could not be effectively monitored.
	+ The required reports on payments to creditors within 30 days were not produced due to insufficient staff and access to relevant reports on financial systems and the Logistical Information System (LOGIS) not yet implemented. The Secretariat is currently using a manual register to manage its procurement.
	+ The review of the Risk Management Policies was deferred to the first quarter of the 2016/17 financial year following the merger of the Audit Committee and Risk Committee.

The Secretariat did not report on any strategies to overcome areas of underperformance within the Administration Programmes in its Annual Report, as was done for the other Programmes of the Secretariat. It also does not contain a section on its key achievements during 2015/16.

**4.2.1 Sub-programme 1.1: Departmental Management**

The purpose of the sub-programme is to provide strategic support to the Secretary of Police.

The sub-programme identified 12 targets and achieved seven of its targets. Some its targets included the following as laid out in Table 3:

**Table 3: Actual Performance against target for Sub-programme 1.1: Department Management Performance**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Strategic Plan submittedwithin the prescribed timeframe | 1 | 1  | Target achieved  |
| 2.  | Number of Joint consultativeIPID/Secretariat forummeetings held per year | 4 | 3  | Target not achieved (No reasons provided) |
| 3.  | Number of QuarterlyReports submitted within theprescribed timeframe per year | 4 | 4  | Target achieved  |
| 4.  | Number of PerformanceAgreements signed andimplemented by ChiefDirectors (CD) per year | 6 | 3  | Target not achieved(1 CD did not submit because hewas reassigned to the Office of theMinister. Two Chief Directors postsare currently vacant)  |
| 5.  | Percentage compliancewith DPSA PerformanceManagement Systemcomplied per year |  100% | 80% | Target not achieved Old SAPS system was not aligned tothe DPSA PMDS. |
| 6.  | Number of MINMECmeetings facilitated |  4 | 3  | Target not achieved One meeting was postponed tothe 2016/17 financial year due toMinister’s international obligations |
| 7.  | Annual Report Developed &submitted within prescribedtime frame |  1 | 1  | Target achieved  |

Source: 2015/16 CSP Annual Report

**4.2.2 Sub-Programme 1.2: Corporate Services**

The purpose of the sub-programme is to provide a reliable and efficient corporate service to the Civilian Secretariat that includes the provision of human resource management and development services as well as employee relations, communication and information technology service and auxiliary services. The Corporate Services Sub-programme identified nine performance indicators with their corresponding performance indicators in 2015/16 FY. During the reporting period, this sub-programme achieved five out of nine planned targets (55.5% achievement rate).

**Table 4: Actual Performance against target for Sub-programme 1.2: Corporate Services**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Persal System implemented | 100%  | 80%  | Target not achieved (Audit report indicated system not implemented effectively. No regular updates on system done in time, info missing in system) |
| 2.  | Number of workshops on approved and reviewed policies | 1  | 1  | Target achieved  |
| 3.  | Number of functional Occupational Health and Safety Committees | 4 | 4  | Target achieved  |
| 4.  | Number of Work Place SkillsPlans approved | 1  | 1  | Target achieved  |
| 5.  | Percentage of leavemanagement audit reportswith an unqualified auditopinion | 60% | 60% | Target achieved |
| 6.  | Number of Integrated HRM& HRD plans | 1 | 1  | Target achieved  |
| 7.  | Number of approvedEmployment Equity Plansimplemented | 1 | 0 | **Target not achieved:** Depended on finalisation on Persal clean up |

Source: 2015/16 CSP Annual Report

**4.2.3 Sub-Programme 1.3: Financial Administration (Chief Financial Officer)**

The purpose of the sub-programme is to provide PFMA-compliant financial, accounting and supply chain services to the Civilian Secretariat for Police. The Financial Management Sub-programme identified six performance indicators with their corresponding performance indicators in 2015/16 FY. During the reporting period, this sub-programme achieved only three of the six planned targets (50%). Table 5 provides us with the performance targets and their attainment.

**Table 5: Actual Performance against target for Sub-programme 1.3. Financial Administration**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Number of in Year Monitoringreports produced | 12  | 12  | Target achieved  |
| 2.  | Number of reports onpayments to creditors within30 days produced | 4  | 2  | **Target not achieved** Reports were only produced fromThird Quarter due insufficient staff and access to relevant reports on financial system and LOGIS which are not implemented yet. Department isrelying on a manual register |
| 3.  | Number of Interim andAnnual Financial Reportsproduced | 4  | 4  | Target achieved  |
| 4.  | Number of reports onInventory value reconciled | 12  | 2  | **Target not achieved** Although originally included in the APP, the departmental policy only require at least half yearly reports. Due to insufficient staff andelectronic systems for Supply Chain Management it was impractical to do monthly reconciliation of inventory. Quarterly Reports indicates differently due to human error reporting to strategic manager |
| 5.  | Number of reports on Assetvalue reconciled | 12  | 2  | **Target not achieved** Although originally included in the APP, the departmental policy requires only at least half yearly reports. Due to insufficient staff andelectronic systems for Supply ChainManagement it was impractical to do monthly reconciliation of assets. Quarterly reports indicate differently due to human error reporting to Head: Strategic Management |
| 6.  | Number of reports ondemand management plansimplemented and monitored | 4  | 4  | Target achieved  |

 Source: 2015/16 CSP Annual Report

The non-attainment of the financial sub-programme targets was due in part to the inability of the Civilian Secretariat to appoint a Chief Financial Officer during the 2015/16 FY. The AG has also made significant findings on the financial administration of the Secretariat.

**4.2.4 Sub-Programme 1.4 Internal Audit**

The purpose of the sub-programme is to provide internal audit services by conducting compliance and performance audits. The Internal Audit Sub-programme identified ten performance indicators with their corresponding performance indicators in 2015/16 FY. During the reporting period, this sub-programme achieved six of its ten planned targets giving it a 60% success rate.

**Table 6: Actual Performance against target for Sub programme 1.4: Internal Audit**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Number of rolling plan and operational plans developed  | 1 | 1 | Target achieved  |
| 2.  | Number of signed audit reports (compliance and Computer audits)  | 4 | 6 | **Target exceeded** Two additional audit reportswere conducted and issuedas per the Acting Secretary’srequest to verify the accuracy andcompleteness of the quarterlyperformance information reports |
| 3.  | Number of Risk Management Policies reviewed | 1 | 0 | **Target not achieved** Risk Management policy was notreviewed and signed off due tomanagement decision taken todefer approval of risk managementpolicy to the first quarter of 2016/2017 financial year followingrecommendation by Audit Committee to merge Audit Committee and Risk Management Committee |
| 4.  | Number of Strategic Risk Assessment reports produced per year | 1 | 1 | Target achieved  |
| 5.  | Number of Operational Risk assessment reports | 2 | 2 | Target achieved  |
| 6. | Number of Risk Registers | 1 | 1 | Target achieved |
| 7. | Number of Risk ManagementTerms of Reference signed off | 1 | 0 | **Target not achieved**Decision by management to deferapproval of risk management policyto 2016/2017 resulted in the RiskManagement Terms of reference(RMTR) also being different to thefinancial year in question since theapproval of the latter depend on thefinalisation of the risk managementpolicy |
| 8. | Number of trackingreports of AG managementReport and Internal AuditRecommendations produced | 2 | 2 | Target Achieved |
| 9. | Number of Audit Committee meetings | 4 | 4 | Target Achieved |
| 10. | Number of Risk Committee meetings | 4 | 3 | **Target not Achieved**Second Risk Management Committee meeting held in July 2016 was incorporated into the departmental strategic planning session. Attendance register and approved risk management strategic report confirmed meeting. |

 Source: 2015/16 CSP Annual Report

The CSP increased its performance targets from the 2014/15 financial year to 60% in the 2015/16 FY. Other areas of the Administration Programme where the AG made significant findings relate to Supply Chain Management and include:

* Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
* Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1 (d) and the Preferential Procurement Regulations.
* Quotations 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.
* Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.

**4.3 Programme 2: Inter-sectoral Coordination and Strategic Partnerships**

The purpose of the Inter-sectoral Coordination and Strategic Partnerships Programme is to manage and encourage national dialogue on community safety and crime prevention.

The budget of the Inter-sectoral Coordination and Strategic Partnerships Programme was increased with R5.1 million during the 2015/16 financial year, from a Main Appropriation of R21.6 million to a Final Appropriation of R26.7 million, which decreased the would-be over expenditure significantly. The virements allowed the programme to record a year-end expenditure of 99.4%. Without the virement, the programme would have recorded an overspending on its budget of 122%.

**Table 7: Expenditure for Programme 2: Intersectoral Coordination and Strategic Partnerships Programme**

|  |  |  |
| --- | --- | --- |
| **Inter-sectoral Coordination and Strategic Partnerships Programme**  | **2015/16** | **2014/15** |
| Final Appropriation (R’000)  | 26 739 | 23 735 |
| Actual Expenditure (R’000)  | 26 569 | 23 735 |
| Expenditure as % of total (%)  | 100% | 100% |
| Variance/Over/Under-Expenditure (R’000)  | 99.4% | - |

 Source: 2015/16 CSP Annual Report

**Performance Targets**

The Intersectoral Coordination and Strategic Partnerships Programme identified a total of nine (9) performance targets in its 2015/16 APP, of which five (5) targets were achieved and four (4) targets were not achieved, giving the programme an overall performance rating of 55.6% at the end of 2015/16. In terms of the usefulness of reported performance information of the Intersectoral Coordination and Strategic Partnerships Programme, the AG found that a total of 78% of targets were not specific and 56% were not measurable and that a total of 78% of indicators were not well defined. The AG stated that the reported performance information was not reliable when compared to the evidence provided.

The following key targets recorded underperformance during 2015/16 due to the reassignment of the Chief Director to the Office of the Minister and the channelling of resources to the “We are one Humanity Campaign”:

* + The Programme failed to assess the planned 50 Community Safety Forums (CSFs) and only managed to assess 12 CSFs.
	+ The Programme failed to assess the planned 50 Community Policing Forums (CPFs) and only managed to assess 41 CPFs.
	+ The Programme underperformed on its planned target to monitor the implementation of the School Safety Protocol at 20 police stations (15 police stations implemented the protocol).

The Programme managed to establish working groups arising from agreements with stakeholders on crime prevention initiatives. Rural safety priority committee meetings were held with SAPS and Provincial Departments of Community Safety and stakeholders concerned with rural safety.

The Secretariat reported the following strategies to overcome areas of underperformance:

Internally: Develop and approve a partnerships framework strategy and capacitate the unit.

Hold monthly meetings during the course of the financial year to consider administration and performance issues in the unit.

The Chief Director convenes regular meetings/ engagement with sub-directorates to assess the scope and validity of quarterly performance portfolio of evidence submitted by directors as it will also be informed by audit findings/ recommendations. This will ensure that all directors submit quarterly reports as per approved Secretariat policy.

Externally: Continuous advocacy for community involvement in crime prevention programmes through CPFs and CSFs and Justice, Crime Prevention and Security (JCPS) cluster departments.

**4.3.1 Sub-programme 2.1: Intergovernmental, Civil Society and Public-Private Partnerships**

The Inter-sectoral Coordination and Strategic Partnerships Programme identified a total of nine (9) performance targets in its 2015/16 APP, of which five (5) targets were achieved and four (4) targets were not achieved, giving the programme an overall performance rating of 55.6% at the end of 2015/16. In terms of the usefulness of reported performance information of the Inter-sectoral Coordination and Strategic Partnerships Programme, the AG found that a total of 78% of targets were not specific and 56% were not measurable and that a total of 78% of indicators were not well defined. The AG stated that the reported performance information was not reliable when compared to the evidence provided.

Table 8 below provides us with a snapshot of some of the targets set for the sub-programme 1: Intergovernmental, Civil Society and Public-Private Partnerships. The Department only achieved 50% of its targets in this sub-programme.

**Table 8: Actual Performance against target for Sub-programme 2.1: Intergovernmental, Civil Society & Public-Private Partnerships**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Number of signed working agreements entered into with civil society organizations on crime prevention initiatives  | 1  | 1  | Target achieved  |
| 2.  | Number of established working groups arising from agreements  | 3  | 2  | **Target not achieved** Reassignment of the CD to Office of the Minister created a leadership vacuum. Channelling of resources to “We are One Humanity” campaign & holding back on expenditure contributed to under-achievement |
| 3.  | Number of Anti-Crime Campaigns  | 1  | 2  | Target achieved “We are one Humanity” was an add on |
| 4.  | Number of Community Safety Forums’ assessed  | 50  | 12  | **Target not achieved** Reassignment of the CD to Office of the Minister created a leadership vacuum. Channelling of resources to “We are One Humanity” campaign & holding back on expenditure contributed to underachievement |
| 5.  | Number of police stations implementing school safety protocol  | 20  | 15  | **Target not achieved.** Reassignment of the CD to Office of the Minister created a leadership vacuum. Channelling of resources to “We are One Humanity” campaign & holding back on expenditure contributed to under-achievement |
| 6.  | Number of assessmentsconducted on partnershipstrategies implementedthrough SAPS National RuralSafety Strategy | 1  | 2  | Target achieved.  |

 Source: 2015/16 CSP Annual Report

**4.3.2 Sub Programme 2.2: Community Outreach**

The purpose of the sub-programme is to promote, encourage and facilitate community participation in safety programmes. The Community Outreach Sub-programme identified three (3) performance indicators with their corresponding performance indicators in 2015/16 FY. During the reporting period, this sub-programme has achieved two (2) of its total planned targets (66%). This represents the same performance achieved in this subprogramme in 2014/15.

**Table 9: Actual Performance against target for Sub-programme 2.2: Community Outreach**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target** | **Actual**  |  |
| 1.  | Number of public participation programmes  | 8  | 8  | Target achieved  |
| 2.  | Total number of provinces implementing community policing forum guidelines  | 9  | 9  | Target achieved  |
| 3.  | Number of Community Police Forums assessed  | 50  | 41  | **Target not achieved.** Reassignment of the CD to Office of the Minister created a leadership vacuum. Channelling of resources to “We are One Humanity” campaign & holding back on expenditure contributed to underachievement |

 **S**ource: 2015/16 CSP Annual Report

**4.4 Programme 3: Legislation and Policy Development**

The purpose of the programme is to develop policies and undertake research in areas of policing and crime.

**4.4.1 Budget expenditure: Legislation and policy development programme**

The budget of the Legislation and Policy Development Programme was decreased slightly during the 2015/16 financial year, from a Main Appropriation of R24.4 million to a Final Appropriation of R24.3 million. The slight virement allowed the Programme to record a year-end expenditure of 99.9%.

**Table 10: Expenditure for Programme 3: Legislation and Policy Development**

|  |  |  |
| --- | --- | --- |
| **Programme 3: Legislation and Policy Development**  | **2015/16**  | **2014/15**  |
| Final Appropriation (R’000)  | 13 447  | 9 969  |
| Actual Expenditure (R’000)  | 13 447  | 7 243  |
| Expenditure as % of total (%)  | 100%  | 86.3%  |
| Variance/Over/Under-Expenditure (R’000)  | R 0  | R2 726 million  |

 Source: 2015/16 CSP Annual Report

The Legislation and Policy Development Programme identified a total of six (6) performance targets in its 2015/16 APP, of which three (3) targets were achieved and three (3) targets were not achieved, giving the programme an overall performance rating of 50% at the end of 2015/16. The AG found that a total of 33% of targets were not specific and 67% were not measurable. And further, that a total of 50% of indicators were not well defined.

In terms of the development of policing policies, the Policy Development and Research subprogramme finalised the White Paper on Safety and Security and the Professionalisation of the Police Policy. Additional to the two (2) targets, the subprogramme also finalised the White Paper on Policing during the 2015/16 financial year. In terms of research projects conducted, the subprogramme did not conclude the research project on the Firearms Management in SADC due to a change in the scope of the project. Presumably, the research on the Demilitarisation of the SAPS has been concluded, but not yet made available to the Committee.

The Legislation subprogramme achieved none of its predetermined performance targets as stated in the 2015/16 APP. The subprogramme aimed to submit five (5) bills to Parliament, but did not manage to introduce any bills. The five (5) bills included the following:

1) South African Police Service Amendment Bill;

 2) Critical Infrastructure Protection Bill;

 3) Animal Movement and Produce Bill;

 4) Protection of Constitutional Democracy against Terrorist Related Activities Amendment Bill; and

 5) Firearms Control Amendment Bill.

These bills were also supposed to have been submitted in the previous financial year, but were not submitted. As such, the target has been missed for two consecutive financial years.

The Legislation subprogramme also aimed to draft a total of four (4) sets of Regulations during 2015/16, but as no legislation was completed, no regulations could be completed.

* + South African Police Service Amendment Act, 2012 (DPCI);
	+ The Firearms Control Amendment Bill;
	+ South African Police Service Amendment Bill; and
	+ The Critical Infrastructure Protection Bill.

However, the South African Police Service Amendment Act, 2012 (DPCI) is completed and the Regulations are long overdue.

The Secretariat reported that the underperformance on the targets of the Legislation subprogramme was due to factors that were beyond the control of the unit and that substantial work was done towards the achievement of the targets:

* The **Firearms Control Amendment Bill** was published in the Gazette in March 2015 for comment. The constructive comments were considered and incorporated into the Bill during May 2015. Following a workshop on the implementation of the Firearms Control Act and policy related matters, a decision was taken to conduct further research that would address firearms control in a holistic manner. This approach resulted in the intention to introduce the Bill being held in abeyance until the further research process has been finalised and the Minister has given directions on the recommendations. The report on the research on firearms commissioned by the Minister was submitted to the Minister for consideration and further direction. The proposed recommendations, once approved by the Minister, will guide the amendments to the Firearm Control Act, 2000.
* The **Critical Infrastructure Protection Bill** was presented three (3) times before the JCPS Cabinet Committee and recommendations that emanated from these meetings were addressed. The Office of the Chief State Law Advisers provided a preliminary certificate confirming the constitutionality of the Bill with some recommendations and suggestions, which have since been attended to. The Bill was tabled before Cabinet in April 2016.
* The **Protection of Constitutional Democracy and Related Matters Bill** was initially held in abeyance pending the Court challenge by Henry Okah, who has been convicted for certain acts of terrorism. However, the Bill was further consulted with relevant departments in March 2016. The Bill will be subjected to refinement based on the further comments and inputs, as well as any implications arising from a court challenge.

The Secretariat reported that various strategies have been put in place to overcome areas of underperformance, including:

* + The unit overlooked some challenges that affect the review and approval of legislation, among other issues, delays in drafting of the Bills pending the finalisation of the White Paper. These issues have resulted in the revision of the indicators.
	+ The delays in the finalisation of Bills are being addressed through more realistic planning and target setting.
	+ More structured engagements with stakeholders have been embarked upon.
	+ Bills are presented to the JCPS DevCom for discussion and debate before they are submitted to Cabinet.

The delays in drafting of regulations were beyond the control of the unit and therefore, in future, regulations will be included as indicators, once the Bills have been passed by Parliament.

**4.5 Programme 4: Civilian Oversight, Monitoring and Evaluation**

The purpose of the programme is to oversee, monitor and report on the performance of the SAPS.

**4.5.1 Budget Expenditure**

The budget of the Civilian Oversight, Monitoring and Evaluation programme changed slightly during the 2015/16 financial year, from a Main Appropriation of R20.6 million to a Final Appropriation of R20.8 million. The Secretariat spent a total of R20.849 million at year-end, which is 95.8% of its Final Appropriation.

The main cost driver for the sub-directorate is travel and subsistence (ie air/road transport, accommodation and special daily allowance) associated with conducting National Monitoring Tool (NMT) oversight visits at police stations. Although the allocated goods and services budget was reduced during the 2015/16 financial year, the sub-directorate was able to conduct NMT oversight visits at fourteen (14) police stations across the country and achieved 50 percent of the planned targets.

**Table 11: Programme 4: Civilian Oversight, Monitoring and Evaluation**

|  |  |  |
| --- | --- | --- |
|  | **2015/16**  | **2014/15**  |
| Final Appropriation (R’000)  | 20 849  | 17 957  |
| Actual Expenditure (R’000)  | 20 014 | 14 302 |
| Expenditure as % of total (%)  | 100%  | 86.3%  |
| Variance/Over/Under-Expenditure (R’000)  | R 835 thousand | R3 655 million  |

 Source: 2015/16 CSP Annual Report

**4.5.2 Programme Performance**

The Civilian oversight, Monitoring and Evaluation Programme identified a total of 16 performance targets in its 2015/16 APP, of which five (5) targets were achieved and 11 targets were not achieved, giving the programme an overall performance rating of 31.3% at the end of 2015/16. In terms of the usefulness of reported performance information of the Civilian Oversight Monitoring and Evaluation Programme, the AG reported that a total of 25% of targets were not specific and not well defined. Further, the AG found that the reported achievements against planned targets for 12.5% of indicators were not reliable when compared to the evidence provided.

**4.5.3 Sub-Programme 4.1 Police Performance, Conduct and Compliance Monitoring**

The purpose of the Police Performance, Conduct and Compliance Monitoring Sub-programme is to monitor the performance, conduct and compliance of the SAPS. The key focus of the strategic objective for this Sub-programme changed from improving police performance to improving police accountability, which is welcomed. The Sub-programme achieved four (4) out of eleven (11) of its predetermined targets for the 2015/16 FY, with one (1) target exceeded.

**Table 12: Actual Performance against target for Sub-Programme 4.1 Police Performance, Conduct and Compliance Monitoring**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance** |
|  | **Target** | **Actual**  |  |
| 1.  | Number of police station oversight visits conducted per year  | 18 | 14  | **Target not achieved** Oversight visit budget was reduced due to budget constraints as a resultof shifting funds from programme 4 for “We are One Humanity” campaign |
| 2.  | Number of oversight visits reports produced  | 18  | 10  | **Target not achieved** Insufficient staff and budgetconstraints |
| 3.  | Number of police stationservice delivery trendsanalyses reports produced | 2  | 1  | **Target not achieved** Insufficient staff and budgetconstraints |
| 4.  | Number of SAPS budget andprogramme performanceassessment reports | 1  | 1  | Target achieved  |
| 5.  | Number of assessmentreports on complaintsmanagement produced | 2  | 1  | **Target not achieved** Insufficient staff and budgetconstraints |
| 6.  | Number of assessment reports on critical areas affecting police conduct: litigation management  | 1  | 0  | **Target not achieved** Insufficient staff and budgetconstraints |
| 7.  | Number of reports on SAPS implementation of IPID recommendations produced | 2  | 1  | **Target not achieved** Insufficient staff and budgetconstraints |
| 8.  | Number of audit reportsrelated to Domestic ViolenceAct (1998) finalised per year | 2  | 2  | Target achieved  |
| 9.  | Number of reports onthe status of complianceto legislation by the SAPSproduced | 1  | 1  | Target Achieved  |
| 10.  | Number of reports onthe implementation andcompliance to policing policy | 1  | 1  | Target achieved.  |
| 11. | Number of reports producedon the implementation andcompliance to legislation | 1 | 0 | Delays in accessing relevant information from the SAPS. Access to information from SAPS depends largely on engagement platformswhich are in the process of finalisation and will guide flow of information |

Source: CSP 2015/16 Annual Report

**4.5.4 Sub-Programme 4.2: Policy and Programme Evaluation**

The purpose of the Policy and Programme Evaluation Sub-programme is to evaluate the effectiveness of programmes implemented by the SAPS. The key focus of the strategic objective for this Sub-programme is to improve programme implementation effectiveness. The Sub-programme achieved one (1) out of four (4) of its predetermined targets for the 2015/16 FY).

**Table 13: Actual Performance against target for Sub-Programme 4.2: Policy and Programme Evaluation**

|  |  |  |
| --- | --- | --- |
| **Performance indicator**  | **Actual performance against target**  | **Reasons for variance**  |
|  | **Target**  | **Actual**  |  |
| 1.  | Number of evaluation reportson: legislation passed | 1  | 0  | **Target not achieved** Insufficient staff and budget constraints. Oversight visit budget was reduced due to budget constraints as a result of shifting funds from programme 4 for the “We are One Humanity” campaign |
| 2.  | Number of reports onthe implementation ofrecommendations: Secretariat and Portfolio Committee | 1  | 0  | **Target not achieved** Reports on the implementation of recommendations rely on engagement platforms with the SAPS, finalisation of engagement platforms are in the process of being finalised |
| 3.  | Number of reports on specialprojects produced | 1  | 0  | **Target not achieved** Oversight visit budget was reduced due to budget constraints as a result of shifting funds from programme 4 for the “We are One Humanity” campaign |
| 4.  | Number of provincial M&Ecapacity building sessionsdelivered | 1  | 1  | Target achieved  |

 Source: CSP 2015/16 AR

The underperformance of the Civilian Oversight, Monitoring and Evaluation Programme is largely attributed to capacity constraints by the Secretariat, however the programme has 17 posts of which 14 posts were filled as at the end of the 2015/16 financial year.

The Secretariat reported the following strategies to overcome areas of underperformance:

* + There is a need to have proper monthly financial management at the sub-programme level. This requires streamlining the financial systems of the Secretariat to provide the necessary support and ensure that monthly expenditure reports are provided and over-spending is detected early.
	+ Additional human resource capacity is required to ensure that adequate capacity is available to carry the workload in an efficient and effective manner. It is expected that the review of the organisational structure of the Secretariat during the 2016/17 financial year would provide the much-needed human resource capacity.

The Secretariat made one change to a performance indicator to the 2015/16 APP for the number of reports on the status of compliance to legislation by SAPS produced in order to generate information on the status of implementation by SAPS of all legislation administered by the Minister. This indicator will not be carried over to the next financial year.

**4.5. HUMAN RESOURCES**

The Department had an overall vacancy rate of 12.26% as at the end of the 2015/16 financial year. The vacancies were most pronounced in the Legislation and Policy Development and Civilian Oversight, Monitoring and Evaluations Programmes, which had a vacancy rate of 28.57% and 21.43%, respectively. The Secretariat had a total of 107 posts, of which 95 posts were filled. A total of 22 posts were filled additional to the staff establishment.

In terms of employment and vacancies by critical occupation, the Department had a vacancy rate of 16%, as two (2) Chief Director posts and two (2) Director posts were vacant at year-end.

The Department had a staff establishment of 95 personnel at the start of the 2015/16 financial year. During the period under review, a total of 10 personnel members left the Secretariat, which represents a turnover rate of 9.35%. The personnel losses were mainly attributed to transfers to other public service departments and lateral transfers (6), followed by resignations (4).

No performance rewards were awarded to SMS members during the 2015/16 financial year, but a total of 12 staff members (below SMS level) (15% of staff complement) was awarded performance rewards to the overall cost of R163 893.73. The majority of staff members who received performance rewards was in the highly skilled production band 6 to 8 (8 staff members), followed by the highly skilled supervision band 9 to 12 (3 staff members. The overall underperformance of the Secretariat on performance targets does not warrant performance rewards. The SAPS did not give any performance rewards during 2015/16 and the IPID rewarded 34% of its staff’s performance, which should be seen in light of significant improvements in its service delivery achievements.

The Secretariat conducted no misconduct or disciplinary hearings and also no suspensions during the 2015/16 financial year.

**5. COMMITTEE OBSERVATIONS**

**Qualified Audit Opinion**

The Committee was very concerned that the Civilian Secretariat had, for the second year in row, received a qualified audit opinion. The Committee was not happy with the proposed generic measures that was proposed by the Civilian Secretariat. There is no specific asset holder appointed to make sure that the recommendations are implemented and no timelines for implementation were proposed. The Committee noted that the audit findings point to a regression and stagnation of the Secretariat and wanted to know if the management team was in place for the implementation of the recommendations.

It was six months into the financial year and the corrective measures were not sufficient to provide for the changes required to turn the performance of the Secretariat around. The Committee noted that the Executive Authority should move to fill the posts of Secretary of Police without delay to provide the necessary leadership stability in the Department.

The Committee also expressed its concern that there were insufficient internal controls in the Department and the performance indicators for Programmes 2, 3 and 4 were not well defined and did not conform to the SMART principles.

The Committee also commented in the fact that the strategic management section of the Department must be beefed up with the necessary staff in order to assist with the development of better strategic management and controls as far as monitoring the implementation of the Auditor-General recommendations.

The Committee requested that the Secretariat remedy the performance recommendations of the AG by developing a turnaround plan within two weeks and table it in November 2016.

**Payment of debt**

The Committee noted that the Secretariat incurred a debt of R2 million with the Independent Police Investigative Directorate (IPID) in respect of the legal fees for its suspended Executive Director. The Committee was concerned that the debt has not been paid and a dispute has arisen between the CSP and the IPID. The Committee urged that the matter be resolved.

**Legislative programme**

The Committee raised its concerns about the lack of adherence on the legislative programme of the Secretariat. During the 2015/16 financial year, no legislation was produced except the White Paper of Police and the White Paper on Safety and Security. The Committee in particular raised the reasons for the delay of the Firearms Control Amendment Bill. The Committee was concerned that the SAPS were providing mixed messages to applicants for licences, renewal of licence applicants and competency applications. Certainty would be ensured if the Firearms Control Amendment Bill would be tabled in Parliament. Other pieces of legislation was also not forthcoming and the Committee was not happy with the fact that the legislative programme was delayed.

**Research on demilitarisation**

The Committee expressed its concern about the fact that the Secretariat would be conducting research on demilitarisation in the Public Order Policing (POP) and the Tactical Response Teams (TRT) environments only. The fact that only two components of the SAPS would be affected by demilitarisation research was problematic as the concept of demilitarisation applies to the whole of the SAPS. The Committee wanted the scope of the research to affect the entire SAPS and suggested that the Secretariat expands the scope to all divisions in the SAPS.

**Constitutional oversight role of the Civilian Secretariat**

The Committee noted that the Civilian Secretariat has a constitutional obligation in terms of section 208 of the Constitution to conduct oversight over the SAPS. In view of this obligation, the Committee was concerned that if the Secretariat could not execute its mandate satisfactorily, it could not effectively conduct oversight over the SAPS. It was required that the Secretariat complies with the various provisions of its own Act and the recommendations of the AG.

**Funded vacant posts**

The Committee noted that Treasury has reported that it would only fill funded vacant posts. The Committee is of the opinion that all vacant posts on the establishment should be filled as it will affect the operations of the Civilian Secretariat and it will not be able to deliver on it’s core mandate.

**Financial Management**

The Committee noted that the Chief Financial Officer has been appointed and expressed the opinion that the necessary steps must be taken to strengthen financial and management controls. The AG reported that suppliers were not paid within the prescribed 30 days and that suppliers have been appointed without proper procurement processes being followed. The Committee has noted that it has called the Audit Committee of the Secretariat to Parliament to report on how it will assure the quality of financial reporting would be improved. The Committee was not prepared to accept a qualified audit again and could not allow the Secretariat to perform below par. The Audit Committee must oversee the speedy implementation of the AG recommendations.

**DNA Forensics Ethics and Accountability Board**

The Committee noted that the DNA Forensics Ethics and Accountability Board has not been reported on in the Annual Report of the Civilian Secretariat. The Committee is of the opinion that such reporting must be in terms of the Act and should be included in the Annual Report of the Civilian Secretariat.

 **BRRR recommendations**

The Committee was concerned that the Secretariat did not implement the majority of the BRRR recommendations made by the Portfolio Committee on Police. The Committee expressed its serious concern about the state of affairs in the Secretariat and asked that the leadership give the necessary urgency to the recommendations of the Portfolio Committee and provide monthly implementation reports.

**Leadership**

The Committee was of the opinion that the current challenges of the Secretariat is attributable to the fact that the position of the Secretary of Police and two Chief Directors have been vacant for a long period. The Committee has seen this development as a direct reason for the inability of the Secretariat to meet its performance targets and receiving a qualified audit opinion.

The Committee noted that it had not even considered the core programmes of the Secretariat because of the serious findings by the Auditor-General and suggested that it would require the Secretariat to present a report on the matters when it reports in November 2016.

**6. SUMMARY OF REPORTING REQUESTS**

**Table 14: Summary of Reporting Requests**

| **REPORTING MATTER**  | **ACTION REQUIRED**  | **TIMEFRAME**  |
| --- | --- | --- |
| 1. Findings of the AG
 | Action plans to address the findings made by the AG on material misstatements, including action steps, timeframes and targets.  | 30 November 2016 |
| Monthly progress reports on actions taken as per the action plan together with financial targets achieved  | First report due on 15 December 2016 |
| Action plan to address the implementation of internal financial controls to substantiate commitments, accruals and employee benefits  | 30 November 2016 |
| Action plan to timeously and adequately review financial statements and compare them to documentation  | 30 November 2016 |
| Action plan to appoint skilled staff in critical posts | 11 November 2016 |
| Improve levels of assurance by the accounting officer of the CSP, especially at the Internal audit function.  | 11 November 2016 |
| Turnaround plan developed to implement AG recommendations presented to the portfolio Committee  | 11 November 2016 |
| 1. Vacancies
 | The Secretary of Police should be appointed with immediate effect.  | 15 December 2016  |
| The Chief Directors for Partnerships and Monitoring and Evaluation must be appointed with immediate effect | 15 December 2016 |
| 1. Management team
 | Develop an action plan on the skills and training of the senior management team and provide the Committee with a report.  | 15 December 2016 |
| 1. Legislation
 | Provide a new programme for the tabling of legislation in the new year with quarterly updates | 11 November 2016 |
| 5) DNA Forensics Ethics and Accountability Board | Provide an annual and quarterly progress reports on the functioning of the DNA Forensics Ethics and Accountability Board | 30 November 2016 |

**7. COMMITTEE RECOMMENDATIONS**:

1. The Committee requires the Secretariat to reconsider the specifics of the corrective measures on the AG recommendations it proposes as it is too broad and generic.

2. The Committee recommends that the Civilian Secretariat revises all its performance and financial targets to keep it in line with the SMART principles.

3. The Committee recommends that the Civilian Secretariat sets SMART targets with specific reference to its timelines for implementation of each of the AG recommendations and report to the Portfolio Committee by end November 2016.

4. The Committee recommends that the Civilian Secretariat appoints a mandate holder with the authority to implement the AG recommendations within stipulated timelines.

5. The Committee recommends that the Civilian Secretariat develop a turnaround strategy for the implementation of all AG recommendations by end November 2016 and reports thereon.

6. The Committee recommends that the Secretariat strengthens the Strategic Management component.

7. The Committee recommends that the Secretariat addresses the Expenditure management framework.

8. The Committee recommends that in view of the “We are One” campaign, the Secretariat addresses project management, spending patterns and Procurement and Contract Management processes without delay and put project management measures in place.

9. The Committee recommends that the Secretariat consider developing a Special Projects directorate to manage all Ministerial special projects.

10. The Committee recommends that the Executive Authority urgently fills the position of Secretary of Police and all other critical senior management posts immediately.

11. The Committee recommends that the Civilian Secretariat resolves the incurred expenses with the IPID by adhering to the Public Finance Management Act framework.

12. The Committee recommends that all tenders are advertised on the Civilian Secretariat’s website.

13. The Committee recommends that the research on demilitarisation and professionalisation of the SAPS must include the entire SAPS and not only two components and be completed by the end of the financial year.

14. The Committee recommends that the Civilian Secretariat urgently reviews its own budget performance analysis with a view of reaching its revised targets so to lead by example when it conducts budget performance analysis over the SAPS.

15. The Management of the Civilian Secretariat must see to a speedy implementation of the Internal Audit Committee recommendations.

16. The Civilian Secretariat must present on their core business and programmes to the Committee by the 11 November 2016.

17. The Committee recommends that the Secretariat urgently fills all vacancies urgently.

18. The Committee recommends that the Secretariat provides the Committee with all its research reports.

19. The Committee recommends that all members must be vetted and the vetting should be cascaded to lower levels in the organisations.

20. The Committee recommends that the Secretariat develop a feasibility study looking at funding model for Community Police Forums by the end of the financial year.

21. The Committee recommends that the Secretariat considers the funding model of additional mandates such as the funding for the DPCI Judge and other projects delegated by the Minister.

22. The Committee recommends that the Audit Committee appears before it to report on its own financial controls and adherence to the implementation of the Auditor General recommendations.

**8. CONCLUSION**

The Civilian Secretariat is constitutionally bound to conduct oversight over the South African Police Services. The fact that the Civilian Secretariat has been unable to receive an unqualified audit does not bode well for the Department. It needs to lead by example when it comes to compliance with implementing of legislation, especially the key provisions of the Public Finance Management Act and the Auditor-General recommendations. The inability of the Civilian Secretariat to manage its finances and performance targets effectively has raised questions of its oversight over the SAPS. The Executive Authority must move with haste to make the necessary appointments that would allow for the Secretariat to fulfil its constitutional and other legislative obligations through implementing its mandate.

**Report to be considered.**