**4. BUDGETARY REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON POLICE ON THE INDEPENDENT POLICE INVESTIGATIVE DIRECTORATE (IPID), DATED 21 OCTOBER 2016**

The Portfolio Committee on Police, having considered the annual financial and service delivery performance of the Independent Police Investigative Directorate (IPID) for the 2015/16 financial year, reports as follows:

1. **INTRODUCTION**

The Money Bills Procedures and Related Matters Amendment Act, (Act 9 of 2009), sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. As part of this process, Portfolio Committees must compile Budgetary Review and Recommendation Reports (BRRR) in October of each year, containing recommendations relating to funding allocations for departments and other institutions that account to them.

The Act stipulates the procedure to be followed by Parliament prior to the introduction of the national budget. Section 5(1) states that the National Assembly, through its committees, must annually assess the performance of each national department, with reference to the following:

* The medium term estimates of expenditure of each national department, its strategic priorities and measurable objectives (APP), as tabled in the National Assembly with the national budget (ENE);
* prevailing strategic plans;
* the expenditure report relating to such department published by the National Treasury in terms of section 32 of the Public Finance Management Act (quarterly expenditure);
* the financial statements and annual report of such department (Annual Report);
* the reports of the Committee on Public Accounts relating to a department; and
* any other information requested by or presented to a House or Parliament.

The BRRR are also source documents for the Standing Committee on Finance when it makes recommendations to the House on the Medium-Term Budget Policy Statement (MTBPS). The annual review and analysis of performance (entailing both financial and non-financial performance indicators) also forms part of this process.

The Committee is guided by its interest to promote effectiveness, efficiency and professional policing in South Africa. The mandate of the Portfolio Committee therefore is to fulfil its constitutional function to:

* Pass legislation;
* Scrutinise and oversee executive action and the organs of state including the Department of the Police, the Civilian Secretariat for Police, the Independent Police Investigative Directorate (the Directorate) and the Private Security Industry Regulatory Authority;
* Facilitate public participation and involvement in the legislative and other processes; and
* Engage, participate and oversee international treaties and protocols.

The Committee has overseen the performance of the Directorate though regular oversight meetings during 2015/16 and has also received reports on its quarterly expenditure for 2015/16 and for the first quarter of the 2016/17 financial year.

The Committee was briefed on the annual performance for 2015/16 of the Directorate on 13 October 2016. The Committee also met with the Auditor-General on the audit outcomes on 11 October 2016. The Committee has already considered and reported on the respective strategic plans and budget proposals of the Directorate for 2015/16.

**1.1 Structure of the Report**

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 Directorate’s Vote and spending for 2015/16 as well as for part of 2016/17 (first quarter) and sets out the Directorates MTEF submission to National Treasury for 2016/17.
* Section 3: Summarises the 2015/16 report of the Auditor General for the Directorate.
* Section 4: Provides a broad overview of the changing strategic and operational environment of the Directorate for 2014/15 and 2015/16.
* Section 5: Summarises performance information per Programme for 2015/16.
* Section 6: Highlights key observations of the Committee with respect to financial and performance information for 2015/16.
* Section 7: Summarises additional information requested from the Directorate in deliberations and other reporting requirements.
* Section 8: Summarises recommendations of the Committee.
* Section 9: Conclusion.

**1.2 2015 BRRR Recommendations**

In the 2015 BRR report, the Committee made the following recommendations with respect to the IPID:

1. **2016/17 additional funding:** The Committee recommends that it is unable to support requests for additional funding over the MTEF (2014-2019) before the present funded vacant posts are filled in the Directorate, especially within the Investigation and Information Management programme, which is the core programme of the Directorate.
2. **Material misstatements:** The Committee indicated that it supports the recommendations made by the AG that the different assurance levels providers (management, accounting officer and audit committee) should timeously and adequately review the financial statements and compare these to the supporting documentation. The Committee recommends that the Directorate should consider the use of external stakeholders, like experts from National Treasury to assist the Directorate with the upskilling of staff and also to perform these assurances until the Directorate is able to perform these functions independently.
3. **Underspending:** The Committee welcomes the improved spending recorded by the Directorate at the end of the 2014/15 FY compared to the previous financial year. The Committee recommends that internal control around the quarterly expenditure of the Directorate must be strengthened in future to ensure that quarterly expenditure is closely aligned to the linear expenditure benchmarks set by National Treasury to mitigate against a disproportionate expenditure in the fourth quarter of any particular financial year.
4. **Irregular expenditure:** The Committee recommends that the Directorate must provide continuous training of staff and awareness in order to ensure that personnel do not use prohibited service providers when procuring services and always verify the supplier against the National Treasury Supplier Database.
5. **Unauthorised expenditure:** The Committee recommends that the Directorate must endeavour to address the outstanding unauthorised expenditure incurred in the 2005/06 and 2008/09 financial years without delay and enter into renewed engagements with National Treasury to clear this expenditure.
6. **Delay in payments of invoices:** The Committee recommends that the Directorate must pay invoices within the stipulated timeframes and also recommends that the Directorate take the necessary care to prevent further delays with the new centralised approach to invoice payment.
7. **Underperformance:** The Committee recommends that the Directorate must address the overall underperformance on predetermined performance targets in future years. The disjoint between expenditure (high at 99 per cent) and performance (low at 42 per cent) should be brought in line with each other.
8. **Employment equity:** The Committee recommends that the Directorate must increase its representation of people with disabilities within the organisation and also the representation of females in senior management.
9. **Performance rewards:** The Committee recommends that the Directorate must review its performance rewards structure and ensure that performance rewards are only awarded when deserved. There should be alignment between performance achieved (as presented in the Annual Report) and performance rewards awarded.
10. **Vacancies:** The Committee recommends that funded vacancies must be filled as a matter of urgency, especially in the *Investigation and Information* and *Legal Services* programmes.
11. **Information technology:** The Committee recommends that the Directorate must ensure the safety of electronic information and strengthen the governance of the IT environment.
12. **Training:** The Committee recommends that the Directorate must prioritise the development of an independent qualifications for IPID Investigators and that this qualification must be registered at SAQA.
13. **Independence:** The Committee recommends that the independence of the Directorate must be protected while cooperating with the NPA, DPCI and SAPS in conducting investigations.
14. **Trend analysis:** The Committee recommends that the Directorate should conduct a trend analysis of cases to identify areas or environments where specific categories of crimes (as per section 28 of the IPID Act, 2011) are proportionally higher than others to assist the SAPS in identifying specific areas where intervention in terms of behaviour is needed.
15. **Stakeholder management:** The Committee recommends that stakeholder management should be prioritised, especially in terms of higher level engagements with Provincial Members of the Executive Council (MECs) and Provincial Minister (Western Cape)responsible for community safety and respective Heads of Departments (HODs).
16. **Systemic corruption:** The Committee recommends that the Directorate must prioritise known environments where systemic corruption is regarding to be widespread, especially in the border environment.
17. **City Forum Building:** The Committee recommends that the Directorate must prioritise the engagements with DPW regarding the finalisation of the City Forum lease and that new office accommodation is secured as soon as possible.
18. **Reporting on figures:** The Committee recommends that the Directorate should report the correct figures applicable to the financial year under review in Annual Reports, like the challenges identified regarding the figures of performance rewards and linkages in statistical information. The Directorate could consider the use of footnotes to clarify issues around data presented in the Annual Report.
19. **Reporting on Municipal Police Services (MPS):** The Committee recommends that the Directorate must report separately on all data for the SAPS and MPS (total case intake, provincial case intake, comparisons, provincial breakdown for all section 28 categories, completion of cases, recommendations and outcomes) captured in the statistical report section of its Annual Report in all future Annual Reports (starting in 2015/16).

**1.3 Response by the Minister of Finance**

In terms of section 7(4) of the Money Bills Amendment Procedure and Related Matters Act (2009), when the annual budget is tabled, the Minister of Finance must explain how the budget gives effect to the recommendations of the Portfolio Committee. The Minister responded to the following 2015 recommendation of the Portfolio Committee as follows:

*The Committee recommends that it is unable to support requests for additional funding over the MTEF (2014-2019) before the present funded vacant posts are filled in the Directorate, especially within the Investigation and Information Management programme, which is the core programme of the Directorate.*

The National Treasury agreed with the Committee’s recommendation. As part of the 2016 technical and functional group meetings with the IPID, same points were emphasised to the Directorate. The National Treasury further made a presentation in this regard to management of IPID at its strategic planning session in November 2015. While acknowledging the importance of the IPID proposed expansion strategy, the National Treasury noted that there was no sound basis for the allocation of additional resources to the IPID unless it could demonstrate that it had the capacity to fully spend the current allocated budget.

*The Committee recommends that the Directorate must endeavour to address the outstanding unauthorised expenditure incurred in the 2005/06 and 2008/09 financial years without delay and enter into renewed engagements with National Treasury to clear this expenditure.*

The National Treasury supported the Committee’s recommendation noted that it was also important to note that even though the Directorate submitted the request to the National Treasury on 31 March 2015, certain information, which was critical for the National Treasury to make an informed recommendation to Parliament, was not included in the submission. Numerous electronic and telephonic follow ups have been made to the Directorate requesting such information but the Directorate has still not provided the information hence no recommendation was made to Parliament as yet.

1. **OVERVIEW OF DIRECTORATE VOTE AND EXPENDITURE**
	1. **Financial performance for 2015/16**

At the end of the third quarter of 2015/16, total expenditure incurred by the IPID amounted to R167.7 million and represented 71.4 per cent of the adjusted appropriation budget of R234.8 million. Expenditure has improved by 13.6 percentage points when compared with expenditure in the same period in 2014/15. An amount of R10.9 million was reported as the deviation between planned and actual spending as at the end of the third quarter. The Investigation and Information Management programme accounted for the largest portion of the deviation (R7.1 million), followed by the Administration programme (R4.1 million). This slow spending is particularly visible on Compensation of employees, which amounted to R17.7 million.

The table below provides a summary of the overall Departmental spending as at the end of the 2015/16 financial year:

**Table 1: Overall Departmental spending**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **IPID Programmes** **R’000**  | **Adjusted Appropriation**  | **Post-AENE Adjustments**  | **Available Budget**  | **Actual Spent**  | **% Spent**  |
| 1. Administration  | 74 015  | (2 081)  | 71 934  | 71 563  | 99.5%  |
| 2. Investigation and Information Management  | 150 822  | 1 994  | 152 816  | 152 816  | 99.5%  |
| 3. Legal Services  | 5 476  | 287  | 5 763  | 5 734  | 99.5%  |
| 4. Compliance Monitoring and Stakeholder Management  | 4 468  | (200)  | 4 268  | 4 233  | 99.2%  |
| **Total**  | **234 781**  | **-**  | **234 781**  | **234 157**  | 99.7%  |
| **Economic classification** |
| **Current payments:**  | **231 890**  | **(227)**  | **231 663**  | **231 175**  | **99.8%**  |
| Compensation of employees  | 159 625  | (9 600)  | 149 965  | 149 559  | 99.7%  |
| Goods and services  | 72 265  | 9 433  | 81 689  | 81 616  | 99.9%  |
| **Transfers and subsidies:**  | **529**  | **113**  | **642**  | **623**  | **97.1%**  |
| Departmental agencies and accounts  | 371  | (2)  | 369  | 364  | 98.7%  |
| Households  | 158  | 115  | 273  | 259  | 95.0%  |
| **Payments for capital assets:**  | **2 362**  | **112**  | **2 474**  | **2 356**  | **95.2%**  |
| Machinery and equipment  | 2 362  | 112  | 2 474  | 2 356  | 95.2%  |
| **Payments for financial assets**  | **-**  | **2**  | **2**  | **2**  | **100%**  |
| **Total**  | **234 781**  | **-**  | **234 781**  | **234 157**  | **99.7%**  |

**Source: IPID 2015/16 Annual Report**.

As at the end of the fourth quarter of 2015/16, the Directorate spent R234.2 million of the available budget of R234.8 million (99.7 per cent). As such, the Directorate failed to spend R624 000.00 at year-end. This is after several virements were applied across all programmes to offset excess expenditure. The Directorate improved its expenditure for the period under review when compared with expenditure in the same period in the previous financial year (2014/15). The *Administration* and *Investigation and Information Management* programmes recorded the biggest underspending i.e. R371 000 and R188 000, respectively.

At economic classification level, expenditure on *compensation of employees*, recorded underspending to the amount of R406 000 at the end of the 2015/16 financial year. Similarly, actual spending on *goods and services* was lower than the available budget by an amount of R82 000, resulting in an underspending on current payments of R488 000.

The spending trend on goods and services over the past three financial years reflects spikes particularly in March on *communication, fleet services, stationery, travel, property payments* and *operating payments.*

**Irregular Expenditure**

The Directorate recorded irregular expenditure of R2.069 million for the 2015/16 financial year. An amount of R527 thousand was carried over from the previous financial year, of which only R31 000 was condoned. This left a total amount of R505 000 on the financial statements of the IPID as not yet condoned. At the end of the 2015/16 financial year, the IPID has a closing balance of R2.565 million on irregular expenditure.

The AG made a finding on compliance to legislation (lack of consequence management) as disciplinary steps were not taken against officials who made and permitted irregular and fruitless and wasteful, as required by section 38(1)(h)(iii) of the PFMA, 1999.

**Unauthorised expenditure:**

The IPID did not incur any unauthorised expenditure in 2015/16, however it currently has a total amount of R891 thousand stated as unauthorised expenditure and is currently awaiting authorisation by SCOPA. This amount related to overspending of the IPID budget and/or programme budget in previous financial years (2005/06 and 2008/09).

**Fruitless and wasteful expenditure**

The Directorate had a total amount of R4 thousand as fruitless and wasteful expenditure, which was the result of a refund that was made by a supplier who overcharged the Department.

**Claims against the Department**

The monetary amount of claims against the Department increased from R24.5 million in 2014/15 to R41.4 million in 2015/16.

1. **REPORT OF THE AUDITOR-GENERAL (AG) FOR 2015/16**

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 Directorate.

**3.1 Report on the financial statements**

The IPID received an unqualified audit opinion from the AG for the 2015/16 financial year. This is the second year in row that it receives an unqualified audit opinion.

**Report on other legal and regulatory requirements**

**3.2 Predetermined objectives**

The AG performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following two programmes:

* Programme 2: Investigation and Information Management; and
* Programme 4: Compliance Monitoring and Stakeholder Management

The AG evaluated 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 objectives. The AG also performed tests to determine whether indicators and targets were well defined, specific, measurable, relevant and time-bound (SMART) as required by the National Treasury’s framework for managing programme performance information (FMPPI).

The AG did not make any material findings on the usefulness and reliability of the reported performance information for the two selected programmes of the Directorate.

**3.4 Compliance with legislation**

As part of the audit process, the AG performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. The findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

* Expenditure management: Contractual obligations and money owed by the Directorate were not settled within 30 days as required by section 38(1)(f) of the PFMA, 1999 and Treasury Regulation 8.2.3.

**3.5 Consequence management**

Disciplinary steps were not taken against officials who made and permitted irregular expenditure and fruitless and wasteful, as required by section 38(1)(h)(iii) of the PFMA and Treasury Regulation 9.1.3.

**3.6 Internal controls**

As part of the audit process, the AG considered internal controls relevant to the audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual of performance report and the findings on compliance with legislation included in this report.

**In terms of leadership, the AG reported the following:**

* The leadership did not exercise oversight responsibility to ensure that consequence management is actively implemented in the department.
* The leadership did not enforce policies and procedures of recording and reporting of performance information.
* The leadership did not enforce performance management policies and regulatory requirements to ensure an effective and strong workforce.

In terms of financial and performance management, the AG reported the following:

* There was no regular monitoring of expenditure management to ensure that invoices are paid within 30 days.

Management did not ensure the proper application of policies and procedures of performance information.

**3.7 Other reports**

An investigation on the appointment of a legal services provider for disciplinary hearing without following the proper supply chain management processes is currently underway.

1. **OVERVIEW OF THE STRATEGIC ENVIRONMENT OF THE DIRECTORATE**

The aim of the Independent Police Investigative Directorate is to ensure independent oversight over the South African Police Service (SAPS) and the Municipal Police Services (MPS), and to conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the SAPS and the MPS, and make appropriate recommendations.

The IPID is expected to play its role with respect to police conduct and to ensure that the SAPS members changes its conduct when it comes to interfacing with the public. The IPID in this respect delivers its mandate to ensure that greater professionalism should be at the core of the service delivery rendered by the SAPS to victims of crime. The IPID and the Civilian Secretariat for Police constitute a Consultative Forum to iron out any problems with respect to reporting requirements of the SAPS with respect to its obligations, especially in terms of reporting on women and children and domestic violence.

In terms of the Act, in addition to the requirement to investigate deaths in police custody and as a result of police action, the Directorate must also investigate: complaints on discharge of an official firearm by a police member; rape (on or off duty) by a police member; rape of any person in custody; complaints of torture or assault by a police member; corruption matters; and other matter referred from various sources.

The National Planning Commission of South Africa identified twelve measurable performance outcomes in 2010 to assess achievements made by government departments in terms of effective service delivery. These twelve outcomes was also incorporated in the National Development Plan (NDP), which envisages that in 2030 people living in South Africa feel safe at home, at school and at work and that they enjoy a community life free of fear. The two outcomes specifically related to the IPID are:

* Outcome 3: All people in South Africa are and feel safe and secure
* Outcome 12: An efficient, effective an development orientated public service and an empowered, fair and inclusive citizenship

The IPID focuses largely on outcome 3 in ensuring a more accountable police service by combating corruption within the police and thereby enhancing its effectiveness and its ability to serve its mandate to deter crime.

In 2015/16, the IPID concluded the Service Delivery Improvement Plan (SDIP) for a period of three years (2014-2017). The SDIP contains the Directorate’s mandate, challenges and roadmap on how to achieve the Directorate’s Strategic Plan. The SDIP provides for an indication of prioritized areas that needs attention in order for the Department to achieve its strategic objectives and to ensure there is continuous improvement on service delivery; furthermore it indicates the standards for the main services to be provided.

The outputs of the IPID are linked to the following Strategic Outcome-Oriented Goals, as reflected in the IPID Strategic Plan for 2015/16 – 2019/20 as Table 3 below shows:

**Table 2: Strategic outcome-orientated goals**

|  |  |
| --- | --- |
| **Strategic Outcome-Orientated Goals** | **Goal Statement** |
| 1. | The IPID is an effective oversight body | The IPID is an independent oversight body that conducts quality investigations without fear or favour; and makes recommendations that are acted upon and have a lasting impact on police conduct. |
| 2. | The IPID investigates cases effectively and efficiently | The IPID conduct quality investigations that ensure the effective completion of cases and the generation of recommendation reports within appropriated time frames. |
| 3. | The police service is responsive to IPID recommendations | The police service ensures that IPID recommendations are implemented, action taken as a result thereof is monitored and progress is reported to the IPID. |
| 4. | The IPID is accessible to the public | Development of public awareness of the IPID and its functions through community awareness programmes, media campaigns and stakeholder management. |

Source: IPID 2015/16 Annual Report

The IPID is not achieving its Strategic Outcome-Orientated goals fully due to the following factors:

* The Directorate is not currently fully independent, as it relies on the SAPS for forensic and ballistic expertise during their investigations, which may impact on the independence and integrity of investigations. However, it is expensive to create in-house expertise or to outsource the expertise – this is currently unaffordable for the IPID due to baseline reductions to its budget over the medium term.
* The increase in disciplinary and criminal convictions could be indicative of the realisation of the goal to make the SAPS and MPS responsive to the IPID recommendations, but should be continuously monitored to build on the achievements made in the 2015/16 financial year.
* The IPID is not fully accountable to the public, as its targets for Section 28 investigations remains low. Additionally, the number of public awareness engagements have been reduced due to reductions to the baseline of the Directorate. The IPID should also increase its public profile, as many civilians are unaware of the mandate of the IPID. However, the new initiatives embarked upon by the IPID to increase awareness on the requirements of the IPID Act to SAPS members during station lectures, could have a meaningful impact on increasing the accountability and professionalism of the SAPS.

**4.1 PROGRAMME PERFORMANCE IN 2015/16**

The IPID attained an overall performance of the 75% (attaining 35 out of 47 targets) during the 2015/16 FY. Twelve targets were not achieved due to the non-performance of the Legal Services Programme. Despite this, the Department improved its performance from previous financial years in which it attained 27% of targets in the 2013/14 FY and 44% of its targets in the 2014/15 FY.

Overall, the two core programmes of the IPID performed the best during 2015/16. The Investigation and Information Management Programme achieved 18 of its 19 performance targets, of which most of the targets were exceeded (94.7% achievement). The Compliance Monitoring and Stakeholder Management Programme achieved seven (7) of its eight (8) performance targets in 2015/16. The AG audited the reliability and usefulness of the performance targets and measurements of these two programmes and made no material findings. The Investigation and Information Management and Compliance Monitoring and Stakeholder Management Programmes performed well above the average overall achievement rate of 75% achieved by the Department.

The Legal Services Programme performed very poorly, as it managed to only achieve 36.4% of its measurable performance targets in 2015/16. Of its 11 targets, the Directorate managed to achieve only four (4) targets. The non-performance is mostly attributed by IPID to a lack of capacity in the programme.

**4.2 Programme 1: Administration**

The purpose of the Administration Programme is to provide management support to the IPID. It provides policy and strategic leadership to the Directorate. It also enhances the ability of the Directorate to deliver on government priorities and objectives.

**4.2.1 Administration Programme: Financial Expenditure**

The Directorate spent R71.6 million of the available budget of R72 million (99.5%) for the Administration Programme. A virement of R2.1 million was made from the Administration Programme in the fourth quarter, of which R1.8 million came from the compensation of employees’ budget. The virement effected in the last quarter, reduced the underspending of the Administration Programme to R371 thousand at year-end. If the virement had not been made, the underspending under the Administration Programme would have been higher.

At economic classification level, compensation of employees reported underspending of R359 thousand. Higher spending occurred on audit costs, communication, consultants and property payments. Spending on these items over the past three financial years reflects a spike in March 2016. This is not in-line with National Treasury Instruction Note 1 of 2013/14 on Cost Containment. The Administration Programme has a staff establishment of 124, of which 109 posts were filled at the end of the fourth quarter, as such the Programme had 15 vacant positions at the end of the 2015/16 FY.

**4.2.2 Programme Performance: Administration Programme**

The Administration Programme had a total of nine (9) performance targets for the 2015/16 financial year, of which it managed to achieve six (6), giving the programme an achievement rate of 67%.

Of the nine (9) performance targets, the programme failed to achieve three (3) targets, which is 33% of its performance targets. The targets not achieved included:

* The Directorate aimed at achieving 50% of females employed by the Directorate at senior management level, but achieved 47%, which is a deviation of 3%. The Directorate indicated that no suitable female candidates were identified. To mitigate against future underperformance, new SMS vacant posts will be targeted for appointment of female candidates that is in-line with the Employment Equity Plan.
* The Directorate aimed at having 2% of the staff complement consisting of people with disabilities, but achieved 1.5%, which is a deviation of 0.5%. The Directorate indicated that this will be addressed by earmarking for three persons with disabilities that is in-line with the Employment Equity Plan.
* The Directorate aimed at training 50% of its staff complement, but trained only 35% of the staff complement, which is a deviation of 15%. The Directorate attributed this to the complexity of the course “Systemic Corruption” and that the specifications provided did not address the training needs of the Directorate. Further, the threshold requirement for in-house training was not met. The training plan will be closely monitored in future to prevent a repeat of this underachievement.

**4.2.3 Human Resource Management**

At the end of the 2015/16 financial year, a total number of 375 post were filled against 414 number of posts on the approved establishment of the Directorate, representing an overall vacancy rate of 9.4%. The Investigation and Information Management programme reported a bigger share of the vacancies (20 vacant posts) when compared to other programmes. Overall, the vacancy rate in the Directorate has decreased significantly when compared to the same period in 2014/15 when the Directorate had a vacancy rate of 20.3%. The highest vacancy rate is within the highly skilled supervision (9-12) salary band (13.2%). At the end of the 2015/16 financial year, the Directorate had a turnover rate of 8.4%. A total of 15 staff members left the employment of the Directorate. The major contributor to the reasons why staff left the Directorate was resignations – out of the 15 staff members who left the employment, 11 were as a result of resignations (79.2%).

Two members of the SMS failed to conclude and sign performance agreements within the specified timeframes. The matter is currently being handled by the labour relations unit and disciplinary steps will be taken against the two members.

A number of 125 staff within the salary band for personnel below the SMS out of a total of 339 personnel received performance bonuses during 2015/16. Within the SMS, a total of five (5) staff members out of a total of 36 in the SMS received performance bonuses during 2015/16, all within salary Band A.

In terms of labour relations, only one (1) disciplinary case was finalised in 2015/16 leading to a dismissal for dishonesty. The Directorate had a total of 24 grievances lodged, of which 15 grievances were resolved (62.5%) and nine (9) grievances were not resolved (37.5%). Five (5) staff members were suspended during the financial year under review, of which all exceeded the 30 day limit significantly. The average number of days suspended were 255 days (almost a full year). The suspensions were on full pay to the cost of R2.9 million for the 2015/16 financial year.

The total budget for compensation of employees had been adjusted downwards by a total of R19.871 million form the main appropriation to the final appropriation. During the initial adjustments period, the Directorate applied virements and shifts to the amount of R10.211 million to its compensation of employees budget, from R169.836 million (main) to R159.625 million (adjusted). In the fourth quarter, the Directorate applied a second downward adjustment to the budget for compensation of employees of R9.660 million, bringing the final appropriated budget to R149.559 million, of which it spent 99.7%. If the Directorate did not apply the two adjustments to the budget for compensation of employees, it would have spent 88% of its original budget allocation.

**4.4 Programme 2: Investigation and Information Management**

The purpose of the Investigation and Information Management programme is to strengthen the Department’s oversight role over the police service by conducting investigations, in line with the powers granted by the Independent Police Investigative Directorate Act No. 1 of 2011. Making appropriate recommendations on investigations in the various investigation categories and submitting feedback to complainants.

**4.4.1 Financial expenditure: Investigation and Information Management**

The Directorate spent R152.6 million of its available R152.8 million budget for the Investigation and Information Management Programme (99.9%) at the end of the 2015/16 financial year. The Programme left a total of R158 thousand unspent at year-end. A total amount of R8.4 million was shifted away from the budget for compensation of employees after the AENE process in the fourth quarter due to vacant posts. This indicates that if the virement was not applied, underspending on compensation of employees would have been R8.5 million and this is a serious concern to the Committee.

**4.4.2 Programme Performance: Investigation and Information Management**

In 2015/16, the core service delivery programme of the Directorate, Investigation and Information Management excelled in terms of the achievement of performance targets. Of its 19 targets, 18 were achieved, which is an achievement rate of 95%.

Most of the targets in terms of investigations of section 28 cases were exceeded by a wide margin. Most notably the following:

* The performance target for the percentage of investigations of rape cases while in police custody that are decision ready (finalised) of 62% was exceeded by 23%. The Directorate finalised 25 out of the 28 cases, which is an achievement of 89%.
* The performance target for the percentage of investigations of assault cases decision ready (finalised) of 50% was exceeded by 22%. The Directorate finalised 5 070 out of 7 000 cases, which is an achievement of 72%.
* The performance target for the percentage increase of criminal recommendations to prosecute that are placed on the court roll was exceeded by 219%. The target for this performance indicator which was introduced in 2014/15 was 10% and the Directorate achieved 229% giving them a 219% increase.

The only target that was not achieved in the Investigation and Information Management Programme for 2015/16 was the percentage increase of disciplinary recommendations where disciplinary processes are initiated. The Directorate aimed at increasing the percentage by 10%, but only managed to increase the percentage by 1%, which is a negative deviation of 9%. This underperformance was attributed to the dependencies of this target on external factors. To overcome the underperformance on this target, the Directorate will decentralise Legal Services support in the Provinces to ensure that recommendations referred to stakeholders are of high quality.

**4.5 Programme 3: Legal Services**

The purpose of the Legal Services Programme is to ensure that investigations are conducted efficiently and within the ambit of the law by providing investigators with adequate legal advice and guidance on an ongoing basis, during and after completion of investigations.

**4.5.1 Financial Expenditure: Legal Services**

At the end of the 2015/16 financial year, the Directorate had spent R5.7 million against the available budget of R5.76 million for the Legal Services Programme, leaving R29 thousand unspent at year-end. This represents an expenditure of 99.5% of the available budget, which is a significant improvement compared to the previous financial year (2014/15), where the Directorate spent 61.0%. The Directorate applied a post-AENE virement of R287 thousand away from the Legal Services Programme (in the fourth quarter), which significantly reduced the amount of underspending.

At economic classification level, lower spending was mainly reflected on machinery and equipment, which recorded a deviation of R26 thousand.

**4.5.2 Programme Performance: Legal Services**

The Legal Services Programme performed the worst of all the programmes of the Directorate in 2015/16. It managed to achieve only four (4) performance targets out of the 11 targets identified for 2015/16, which is an achievement of 36%. The lack of performance was attributed to capacity constraints encountered during the financial year due to the absence of key members of the component.

The Legal Services Programme recorded underperformance on the following performance indicators and accompanying targets:

* The Programme failed to finalise 90% of contracts and service level agreements within 30 working days of request - 79% achievement;
* The Programme failed to provide 90% of written legal opinions to the Directorate within 21 working days of request – 80% achievement;
* The Programme failed to provide 90% of written legal advice within 48 hours of request – 60% achievement;
* The Programme failed to process 100% of applications for policing powers within five (5) working days of request;
* The Programme failed to produce four (4) practice notes and directives during the 2015/16 financial year. The target was missed by one (1) practice note/directive;
* The Programme failed to process and finalise 100% of Promotion of Access to Information Act (PAIA) within 30 days – achieved 57%; and
* The Programme managed to conduct 11 legal workshops out of its targeted 12 workshops.

**4.6 Programme 4: Compliance Monitoring and Stakeholder Management**

The purpose of the Compliance Monitoring and Stakeholder Management Programme is to safeguard the principles of cooperative governance and stakeholder management through ongoing monitoring and evaluation of the quality of recommendations made to the SAPS and MPS and also reporting on the police service’s compliance with reporting obligations in terms of the IPID Act (2011).

**4.6.1 Financial Expenditure: Compliance Monitoring and Stakeholder Management**

The Directorate spent R4.2 million of its available Programme budget of R4.3 million at the end of the 2015/16 financial year, leaving R35 thousand unspent at year-end. The underspending was incurred on the goods and services budget of the Programme. The budget progression of the Stakeholder Management subprogramme is be a cause for concern to the Committee. At the start of the 2015/16 financial year, the subprogramme received an appropriated budget of R585 thousand, which was increased by R35 thousand during the adjustments period (AENE), which gave the subprogramme an adjusted appropriation of R620 thousand. However, in the fourth quarter, a virement of R473 thousand was applied away from the subprogramme, leaving the subprogramme with an available budget of R147 thousand of which only R117 thousand was spent (79.8%).

**4.6.2 Programme Performance: Compliance Monitoring and Stakeholder Management**

The Compliance Monitoring and Stakeholder Management Programme identified a total of eight (8) performance indicators for 2015/16 with its corresponding performance targets. Of the eight (8), a total of seven (7) targets were achieved, giving the Programme an achievement rate of 87.5%.

The target that was not achieved by the Compliance Monitoring and Stakeholder Management Programme is the number of responses to media enquiries released annually. The Programmed aimed to release 150 responses, but released 148 responses – missing the target by two (2) responses. This underperformance was attributed to the multiple responses to multiple enquiries on the same subject matter.

Of importance is the attendance of 54 local Community Policing Forum (CPF) meetings by IPID investigators during the 2015/16 financial year.

**4.7 EXTERNAL INFLUENCES ON PERFORMANCE**

**4.7.1 National Development Plan (NDP)**

The National Development Plan (NDP) envisages that “In 2030, people living in South Africa feel safe at home, at school and at work, and they enjoy a community life free of fear. Women walk freely in the streets and children play safely outside. The police service is well-resourced and professional, staffed by highly skilled officers who value their work, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence, and respect the rights to equality and justice.” The Planning Commission recommended the following to achieve the 2030 vision:

* Strengthen the criminal justice system;
* Make the police service professional;
* Demilitarise the police;
* Building safety using an integrated approach through community participation; and
* Fighting corruption.

The NDP recommends that the IPID, as a mandated oversight body, has a critical role to play in achieving a more professional police service through the monitoring of adherence to professional ethics and to recommend appropriate sanctions where necessary. This echoes the mandate of the IPID as established through the IPID Act, 2011 (Act 1 of 2011).

The draft White Paper on Police is underpinned by the recommendations of the NDP to increase the professionalism of the SAPS through the adherence to the SAPS Code of Conduct, which seeks to mitigate the abuse of power by members of the police service. Over the medium term, the Directorate will expand its investigative methods and systems to respond to cases of police misconduct. The Directorate will train police officials at different stations on key provisions of the IPID Act, 2011. The training sessions are packaged as preventative measures and conducted during station lectures to ensure that police members are fully aware of and compliant with the provisions of the Act in relation to, amongst others, their reporting obligations on crimes committed by police officials, implementing the recommendations referred to the police service by the Directorate and cooperation with the IPID during investigations. Greater awareness of the Directorate’s mandate by police officials will contribute to the professionalization of the police service as police officials will become aware of what is expected of them and be reminded that they will be held accountable for any reported misconduct, negligence or crimes committee during the execution of their duties.

The training sessions should be extended to the Municipal Police Services.

**4.7.2 Farlam Commission of Inquiry**

The IPID is currently involved in investigations with respect to the Farlam Commission of Inquiry. The IPID have previously reported on the matter and have raised the costs of investigations and the securing of independent pathologists as some of the challenges it faces during the investigation phase.

1. **COMMITTEE OBSERVATIONS**

The following are key observations of the Committee with regard to the Directorate’s financial performance and service delivery performance for 2015/16:

* 1. **Financial performance**

The Committee noted that the IPID under-spent its budget to the tune of R624 000 at financial year end. There was several virements which was applied across all programmes including Compensation of Employees (R406 000) and Goods and Services (R82 000). In addition the spike in March spending for the last three years was a concern of the Committee especially in Goods and Services.

The matter of irregular expenditure was also a concern to the Committee with respect to payment of suppliers for legal services. This caused a dispute with Civilian Secretariat for Police. The Committee also raised concerns about the increase in Claims against the Department which increased from R24.5 million in 2014/15 to R41.4 million in 2015/16.

The Committee also noted that there was no consequence management for the fruitless and wasteful expenditure incurred by the IPID.

* 1. **Service delivery performance**

The Committee raised a number of fundamental concerns with the performance of the Directorate during the 2015/16 FY. For the second year in a row, the Committee congratulated the IPID management team for receiving an unqualified audit opinion. The Committee noted that the Directorate is the only Department within the police portfolio that did not have any material findings from the AG on the usefulness and reliability of its predetermined performance targets. The Committee noted that the Directorate has shown progress in respect of AG findings having moved from 53 findings during the 2014/15 audit to 28 findings in 2015/16. The Directorate met 74% (35/47) of its performance targets in 2015/16.

* + 1. **Programme 1: Administration**

The Committee observed that despite a 99.5% spending in the Administration programme spending, it only achieved 66% of its targets. The vacancy rate in the programme was 9.4% and there was slow progress in the appointment of females in senior management which was below the 50% threshold.

**Vacancies in senior management**

The Committee was also concerned about the number of senior managers that were appointed in acting capacity and noted that all the key senior management vacancies should be filled as a matter of urgency. In particular the Head of the IPID position was also in an acting position and the Committee noted that the matter should reach finality in order to ensure leadership stability.

**Fruitless and wasteful expenditure**

The Committee noted its concerns about the fact that the Directorate has written off the debts under the Fruitless and Wasteful expenditure while an investigation was launched. The Committee questioned the Acting Executive Director of the IPID to explain why the amounts have been written off and expressed its unhappiness about this development. The Committee was of the opinion that the act of writing off the amounts could affect the implementation of consequence management. The committee noted that this development was not in keeping with the provisions of the Public Finance Management Act (PFMA). The Directorate indicated that they have established a departmental committee that is looking at taking steps at the relevant people and they are implementing consequence management.

**Reliance on the SAPS**

The Committee was concerned that the Directorate is supposed to be an independent body that investigates police conduct, but is reliant on the SAPS for a number of issues such as forensics laboratories, finger print and reliant on the Department of Health for forensic pathology and blood testing reports.

**Promotion of Access to Information Act**

The Committee noted that the Directorate was unable to meet the thirty day deadline and targets with respect to the Promotion of Access to Information Act. It was a concern and the Committee wanted the Directorate to provide reasons for the non- attainment of the targets.

**Training of Investigators**

The Committee wanted the Directorate to indicate if investigators were attending specialised training, where specialised investigative skills were required in complex investigations. The Committee pointed out that the investigators should be on par with the SAPS with respect to training and the required investigative skills. The Directorate pointed out that its investigators did attend specialised detective training programmes such as the Resolving of Crime Course.

 **Programme 2: Investigation and Information Management**

**Systemic corruption**

The Committee noted that there have been 11 reports of systemic corruption and the Committee wanted to know if there are any such investigations in view of reports of members of the Johannesburg SAPS being involved in drug selling.

**Rapes in Police Cells**

Members of the Committee expressed their serious concerns about the reports of police officers raping victims in police cells. The Committee wanted the IPID to look into the issue more substantially and provide the Committee with a report by 30 March 2017.

**Civil Claims**

The Committee noted that the number of Civil Claims against the Directorate almost doubled since the last financial year. The Committee was concerned about the increase and wanted to know what the Directorate intended to do to reduce such claims. The Directorate reported that most of the Civil Claims were brought by the members of the SAPS after their investigations were completed and courts provided not guilty verdicts. It has now become practice for SAPS members to make such applications for Civil Claims. The Directorate reported that there are historical claims and 17 out of 24 are recurring cases, with 7 new cases. The amounts have been included in Contingent Liabilities and it did not mean that if it has been listed that the cases have merit.

**IPID Recommendations**

The Committee raised concerns about the fact that the SAPS were not implementing IPID recommendations. There appeared to be bottlenecks when it comes to the prosecution of police officers departmentally and criminally. It appeared that up to three quarters of cases were delayed and that included criminal recommendations to the NPA. The Committee suggested that the IPID meet with the NPA.

**Complaints processing**

The Committee wanted assurances from the Directorate that they would take the complaints from members of the public seriously. The committee wanted to know what measures the Directorate was applying in order to keep complainants informed of progress in their complaints processing. The Directorate indicated that the complaints were allocated to an investigator located in the office of the acting Executive Director who travelled to the provinces and keep complainants updated.

**Trauma Debriefing of Investigators**

The Committee wanted to know what debriefing referrals and facilities the Directorate had for investigators who dealt with crime scenes. Some were affected by trauma and required to be debriefed after attending crime scenes. The Directorate indicated that it would appoint a service provider and raise the matter at the next Consultative Forum with the Civilian Secretariat.

1. **SUMMARY OF DIRECTORATE’S REPORTING REQUIREMENTS**

The following table provides a summary of the additional information requested from the Directorate during the hearings and other reporting requirements.

**Table 3: Summary of Reporting Requests**

| **REPORTING MATTER**  | **ACTION REQUIRED**  | **TIMEFRAME**  |
| --- | --- | --- |
| 1. Findings of the AG
 | Action plans to address the findings made by the AG  | 20 November 2016 |
| Monthly progress reports on actions taken as per the action plan together with financial targets achieved  | First report due on 15 November 2016 |
| Action plan to address the Irregular Expenditure incurred  | 15 November 2016. |
| Audit Committee to report on its operations and plans to implement AG recommendations  | 15 November 2016 |
| 1. Underspending
 | Quarterly expenditure reports | End of each financial quarter  |
| Action plan to address variances in quarterly expenditure and bring it in line with linear benchmark set by Treasury.  | 15 November 2016 |
| 1. Vacancies
 | Action plan in the filling of funded vacancies within the Directorate, especially the vacancies within the Partnerships and Monitoring and Evaluation Chief Directorates.  | 30 November 2016.  |
| 1. Station lectures to create awareness on police professionalism
 | Report on extension of station lectures to Municipal Police Services | 30 November 2016 |
| List of scheduled engagements for the remainder of the 2016/17 FY (station lectures).  | 30 November 2016. |
| Summary of the content of awareness talks given at station lectures.  | 30 November 2016. |
| Narrative on how these lectures are received by members of the SAPS and indicate the manner in which impact will be assessed.  | 30 October 2016. |
| 1. Training
 | Progress report on the development of an independent qualification for IPID Investigators.  | 30 November 2016. |
| 1. Municipal Police Service
 | Revised Terms of Reference for Municipal Police in disciplinary cases  | 30 November 2016.  |
| 1. Consequence Management
 | Report on the outcomes of disciplinary actions against staff members who were responsible for irregular expenditure and performance agreements not signed. | 30 November 2016 |
| 1. Meeting with NPA
 | Report on agreements with NPA on bottlenecks in IPID criminal recommendations  | End of March 2017 |
| 1. IPID Recommendations
 | Copies of monthly recommendations meeting reports with SAPS | Monthly from 15 November 2016 |
| 1. Farlam Recommendations
 | Progress report on the progress of prosecutions  | 15 November 2016 |
| 1. Consultative Forum meetings
 | Progress report of Consultative Forum meetings | 15 November 2016 |
| 1. Rape in Police Cells
 | Report on the rape in police cells in the Montagu Police Station | 30 November 2016 |

1. **PORTFOLIO COMMITTEE RECOMMENDATIONS**
2. The Committee recommends that special funding be allocated and ring-fenced in the budget of the Directorate for the Farlam Commission Investigations.
3. The Committee recommends that the Directorate implements all the recommendations of the AG and appoints a mandate holder with clear timelines to ensure the implementation each of the AG recommendations.
4. The Committee recommends the Directorate work towards the reduction of underspending in all its programmes for the current financial year.
5. The Committee recommends that the Directorate continue with its employment of females in its senior management section where there are vacancies.
6. The Committee recommends that the Directorate improves its performance with respect to attaining its programme targets for the 2016/17 financial year.
7. The Committee recommends that the Directorate implements consequence management for those staff members who incur irregular, fruitless and wasteful expenditure.
8. The Committee recommends that the Directorate find innovative ways of cutting its reliance on the SAPS when it comes to using equipment and tools of trade in investigations in order to preserve its independence.
9. The Committee recommends that the Directorate immediately implements steps to comply with the provisions of the Public Finance Management Act and the Promotion of Access to Information Act.
10. The Committee recommends that the Directorate continue with efforts to train investigators with specialist skills and at the highest skills levels.
11. The Committee recommends that the Directorate ensures that it develops a full report on the systemic corruption issues that it has to address within the SAPS and Metro Police environments.
12. The Committee recommends that the Directorate develops measures to make SAPS members aware of the consequences of rape of victims in police cells through a public education programme.
13. The Committee recommends that the Directorate develop a report on steps to reduce civil claims against the Department.
14. The Committee recommends that the IPID meets with the NPA to discuss what steps it plan to take to reduce the backlogs with IPID criminal recommendations and provide the Committee with a report by the 30 March 2016.
15. The Committee recommends that the Directorate finalise the appointment of a service provider to provide trauma debriefing services to its investigators as a matter of priority.
16. **CONCLUSION**

The Committee noted the IPID in attaining a second unqualified audit opinion. While this was commendable, there were other matters concerning police conduct that requires a much more vigorous approach from the Directorate. This includes steps to make sure that its recommendations are being taken seriously by the SAPS and implemented. It is only when such a scenario arises that the contribution of the IPID towards public safety and making South Africans feel and be safe, find expression.

The Committee strongly indicated that the IPID can make a significant difference towards the conduct and behaviour change of the SAPS in order to contribute to the professionalisation of the SAPS.

**Report to be considered.**