**3. BUDGET REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON POLICE ON THE CIVILIAN SECRETARIAT FOR POLICE (CSP) 2016/17 ANNUAL REPORT, DATED 6 OCTOBER 2017.**

The Portfolio Committee on Police, having considered the financial and service delivery performance of the Civilian Secretariat for Police (CSP) for the 2016/17 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, functioning as a cost centre under the Administration Programme (Programme 1) of the SAPS in 2014/15. The Secretariat no longer functions under the auspices of the SAPS and is a designated Department on its own.

**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 2016/17 financial year and the Committee was briefed on the annual performance for 2016/17 financial year of the Department on 4 October 2017. The Committee also met with the Auditor-General on the audit outcomes on 2 October 2017.

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 2016/17 as well as for part of 2016/17 and sets out the Department’s MTEF submission to

National Treasury for 2018/19.

* Section 3: Summarises the 2016/17 report of the Auditor General for the CSP.
* Section 4: Summarises Governance information for 2016/17.
* Section 5: Summarises the programme performance information for 2016/17.
* Section 6: Summarises the Committee observations.
* Section 7: Summarises the Reporting Requests to the Department.
* Section 8: Summarises Recommendations of the Committee.
* Section 9: Conclusion.

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

**2.1. Financial performance for 2016/17 FY**

The Secretariat received a main appropriation of R110.6 million at the start of the 2016/17 financial year, which was not changed during the adjustments period. As such, the total final appropriation remained unchanged despite changes to the budget programmes of the Department (see virements below). At the end of the 2016/17 financial year, the Secretariat underspent on its budget (89.9%). The Secretariat left R11.2 million unspent, which had to be surrendered to the fiscus.

**Table 1: Expenditure at year-end 2016/17**

| **Programme**  R’000 | **Main Appropriation** | **Final appropriation** | **Actual Expenditure** | **(Over)/Under Expenditure** | **% Spent** |
| --- | --- | --- | --- | --- | --- |
| Administration | 42 898 | 42 879 | 40 497 | 2 382 | 94.4% |
| Partnerships | 22 208 | 23 798 | 22 004 | 1 794 | 92.4% |
| Legislation and Policy Development | 24 403 | 22 859 | 19 290 | 3 569 | 84.3% |
| Monitoring and Evaluations | 21 056 | 21 056 | 17 649 | 3 407 | 83.81% |
| **Total** | **110 592** | **110 592** | **99 440** | **11 152** | **89.9%** |

**Source: CSP 2016/17 Annual Report**

The **Legislation and Policy Development Programme** spent R19.2 million of its R22.8 million final appropriations, thus recording the highest underspending of the Secretariat’s budget programmes (R3.5 million unspent). The **Civilian Oversight, Monitoring and Evaluation Programme**, which spent R17.6 million of its R21 million final appropriation (R3.4 million unspent), followed closely. **The Administration Programme** spent 94.4% of its R42.8 million final appropriations (R2.8 million unspent).

**2.2 Virements**

The virement from Programme 1: Administration (R91 000.00) and Programme 3: Legislation and Policy Development (R1.571 million) was to defray overspending on goods and services in Programme 2: Inter-sectoral Coordination and Strategic Partnerships due to accrued expenditure from 2015/16. In total, R1. 590 million was moved to Programme 2.

**2.3 Accruals**

The Secretariat reduced its accruals from R5.684 million in 2015/16 to R2.777 million in 2016/17. Accruals were the basis for two consecutive qualified audit opinions (2013/14 and 2014/15).

**2.4 Unauthorised expenditure**

The Secretariat recorded R5.696 million in unauthorised expenditure in the 2016/17 financial year, due to overspending incurred in the previous financial year. The Secretariat did not record any unauthorised expenditure in 2015/16.

**2.5 Irregular expenditure**

The Secretariat incurred irregular expenditure to the amount of R6.351 million during the 2016/17 financial year, which is a decrease from the previous financial year. The closing balance of irregular expenditure was R37.755 million (R31.404 million was brought over from previous financial years.

**2.6 Fruitless and Wasteful expenditure**

The Secretariat paid R1 000.00 interest to the South African Revenue Service (SARS), which is still under investigation. The Secretariat further incurred R30 thousand in Fruitless and wasteful expenditure for DVDs paid but not delivered.

**2.7 Claims against the Department**

Claims against the Secretariat were reduced from R2.6 million in 2015/16 to R104 thousand in 2016/17. This is a significant improvement.

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

The CSP received an **unqualified audit opinion** with findings in the 2016/17 financial year. The AGSA stated that the financial statements present fairly, in all material respects, the financial position of the Department of Civilian Secretariat for Police Service as at 31 March 2017. Additionally, that its financial performance and cash flows for the year then ended in accordance with the modified cash standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) (PFMA).

The CSP received qualified audit opinions in 2014/15 and 2015/16.

* + 1. **Emphasis of matters**

**Restatement of corresponding figures**

The corresponding figures for 31 March 2016 have been restated because of an error in the financial statements of the Department at, and for the year ended, 31 March 2017.

**Material underspending of the budget**

As disclosed in the appropriation statement, the Secretariat has materially underspent the budget:

* Programme 1: Administration with R2.4 million;
* Programme 2: Inter-sectoral Coordination and Strategic Partnerships with R1.8 million;
* Programme 3: Legislation and Policy Development with R3.6 million; and
* Programme 4: Civilian Oversight and Evaluation with R3.4 million.
  + 1. **Report on the audit of the Annual Performance Report**

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

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

1. *Indicator: Number of memorandums of understanding (MoUs)/memorandums of agreement (MoAs) with stakeholders per year.* The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the Framework for Managing Programme Performance Information (FMPPI). The target for this indicator was not specific in clearly identifying the nature and required level of performance and it was not measurable, as required by the FMPPI.
2. *Indicator: Number of reports on police stations implementing School Safety Protocol produced.* The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI. The target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.
3. *Indicator: Number of izimbizo participation programmes on crime implemented*. The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI. The target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.
4. *Indicator: Funding model for community police forums approved by the Secretary*. The target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.

**Programme 3: Legislation and Policy Development**

1. *Indicator: Number of draft policies signed off by the Secretary of Police per year: Single Police Service*. The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI.
2. *Indicator: Number of completed safety audits/assessments for policing area per year*. The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI. In addition, the target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.
3. *Indicator: Number of reports on SAPS transformation plan per year*. The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI. In addition, the target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.

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

1. *Indicator: Number of reports approved by the Secretary per year on the implementation and compliance to legislation*. The achievement of the planned indicator was not clearly defined as the source information and method of calculation for the achievement of the planned indicator were not clearly defined, as required by the FMPPI. In addition, the target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.
2. *Indicator: Number of monitoring reports approved by the Secretary per year on the implementation of a policy on enhancing the quality and functioning of the SAPS detective services*. The target for this indicator was not specific in clearly identifying the nature and required level of performance and it was also not measurable, as required by the FMPPI.
   1. **Report on audit of compliance with legislation**

The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

**3.2.1 Annual Financial Statements and Annual Performance Report**

The financial statements submitted for auditing were not prepared fully in accordance with the prescribed financial reporting framework, as required by section 40(1) (a) and (b) of the Public Finance Management Act. 33. Material misstatements of receivables, payment for financial asset, irregular expenditure, related party transactions and movable tangible assets identified by the auditors in the submitted financial statements were corrected.

**3.2.2 Expenditure management**

Contractual obligations and/or money owed by the department were not met and/or settled within 30 days, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3. 35. Effective steps were not taken to prevent irregular expenditure amounting to R12,3 million as disclosed in note 23 to the Annual Financial Statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with Treasury Regulation 16A6.

**3.2.4 Consequence management**

Disciplinary steps were not taken against some of the officials who had permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

**3.2.5 Procurement and contract management**

Some quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. Similar noncompliance was also reported in the prior year. Some 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 Similar non-compliance was also reported in the prior year.

* 1. **Internal control deficiencies**

**Leadership**

* There was ineffective monitoring of action plans to address internal control deficiencies raised by both internal and external auditors.

**Financial and performance management**

* Insufficient internal controls over financial and performance reporting to ensure that valid, accurate and complete information is included in both the financial statements and Annual Performance Report.
* Slow responses by management to address findings arose during the audit.
* Lack of implementation of recommendations from investigation reports on irregular expenditure incurred during 2015/16 financial year. This indicates that there is lack of consequences for improper conduct in SCM within the Department.

1. **Governance** 
   1. **Service Delivery Improvement Plan**

The Secretariat does not have a Service Delivery Improvement Plan. The plan will be developed in the 2018/19 financial year.

* 1. **Risk Management**

Due to the small size of CSP, the Audit Committee members, in collaboration with Accounting Officer and the then Chairperson of the Risk Committee, decided to incorporate the Risk Committee into Audit Committee, with effective from 1 April 2016. The Audit Committee changed to the Audit and Risk Committee (ARC), providing oversight over financial reporting, internal controls, risk management and corporate governance throughout 2016/17 financial year.

* 1. **Audit and Risk Committee Report**

The Audit and Risk Committee consists of the members listed hereunder. During the current year, five meetings were held. The Audit and Risk Committee consists of the following members:

* Prof H de Jager (Chairperson) (external member)
* Mr SK Motuba (external member)
* Mr PN Phukubje (external member)
* Advocate S Peter (external member)

The Audit and Risk Committee reported **significant internal control deficiencies**, which resulted in the material findings in the audit report. It is reported that management is in the process of attending to these deficiencies. The Audit and Risk Committee urged the Secretariat to give attention to the shortcomings as a priority.

Internal Audit reported that it has a **shortage of staff**. The capacitation process had already started to improve the capacity of Internal Audit. Two of the internal audits that were planned to be conducted by the service provider due to lack of capacity within the unit were deferred to the 2017/18 financial year because of financial constraints.

In terms of **financial statements**, the Audit and Risk Committee reported its satisfaction with the content and quality of the management reports prepared and issued by CSPS for the period under review.

In terms of **Risk Management**, the Audit and Risk Committee noted that the Secretariat has an adequate risk management process. However, it was stated that the rolling out of the Risk Management Strategy is still at the developmental stage. The Risk Management unit is also inadequately capacitated, but management is in the process of increasing the capacity of the unit and enhancing the skills of its personnel.

The Audit and Risk Committee has met with the AGSA to ensure there are no unresolved issues at 31 July 2017. The Audit and Risk Committee also concurs with the unqualified audit opinion of the AGSA.

* 1. **Vacancy rate**

The Department had an overall vacancy rate of 21.16% as at the end of the 2016/17 financial year. The vacancies were most pronounced in the *Civilian Oversight, Monitoring and Evaluations* (29.63%) and *Administration* (22.9%) Programmes.

**Table 2: Vacancy rate per programme**

| **Programme** | **Number of posts** | **Number of filled posts** | **Vacancy rate (%)** |
| --- | --- | --- | --- |
| Administration | 74 | 57 | 22.97% |
| Partnerships | 18 | 17 | 5.56% |
| Legislation and Policy Development | 32 | 26 | 18.7% |
| Monitoring and Evaluations | 27 | 19 | 29.63% |
| **Total** | **151** | **119** | **21.19%** |

Source: CSP 2016/17 Annual Report

In terms of salary bands, the lower skilled (levels 1-2) and highly skilled production (levels 6-8) had the highest vacancy rates of 33.3% and 31.43% respectively.

* 1. **Turnover rate**

The Department had a staff establishment of 151 personnel at the start of the 2016/17 financial year. During the period under review, a total of seven (7) personnel members left the employment of the Secretariat, which is three (3) less than the previous financial year. Overall, the Secretariat had a turnover rate of 5.88%**.** The highest proportion of personnel that left the Secretariat was within the *Highly skilled production* band (salary level 6-8), which might account for the high vacancy rate in this band. The personnel losses were mainly attributed to resignations (4) and transfers to other public service departments and lateral transfers (3).

* 1. **Performance rewards**

The Secretariat awarded performance rewards to 31 personnel members, of which nine (9) personnel were in the SMS. The total cost of the rewards was R763 thousand.

**5. PROGRAMME PERFORMANCE**

The Secretariat identified 41 key performance indicators with accompanying performance targets at the start of the 2016/17 financial year. At the end of the period under review, the Secretariat had achieved 33 targets, which is an achievement rate of 80.5%. This is a significant improvement when compared to the previous financial year, in which the Secretariat achieved targets 48% of predetermined targets.

The overall performance information presented by the Secretariat should be considered in the context of the material findings made by the AGSA on the usefulness and reliability of the reported performance of the Secretariat.

**5.1 HUMAN RESOURCE MANAGEMENT**

The HR strategic intention is to:

* Build skills levels and leadership capability suited to a client-oriented and security conscious environment.
* Drive a compliance and performance culture that contributes to the overall improvement of the department, develop mechanisms to identify exceptional performers, manage rewards and recognise talent – Performance Management Development System (PMDS).
* Recruit for talent, motivational and organisational fit and the right attitude.

The non-alignment of the approved organisation structure with the mandate of the Secretariat is a huge challenge as the capacity is not equal to the task. However, a proposed organisational structure is in draft to address this.

***Graph 1: Performance on predetermined targets per budget programme***

The ***Administration* Programme** achieved 14 of the 15 predetermined targets during the 2016/17 financial year, which is an overall performance rate of 93.3%.

* The target to pay 100% to creditors within 30 days was not achieved. The Secretariat achieved 97%.

The ***Intersectoral Coordination and Strategic Partnerships* Programme** performed dismally during the 2016/17 financial year. Only one (1) of the six (6) predetermined targets was achieved, which is a performance rate of 16.6%. The Programme brought down the overall performance rate of the Secretariat. The following targets were not achieved:

* Number of MOUs signed with stakeholders;
* Only one (1) of two (2) Anti-Crime Campaigns were conducted;
* Number of izimbizos held;
* Provinces implementing CPF Guidelines; and
* Funding model for CPFs (The indicator was reallocated to the *Policy Development and Research* subprogramme, yet it is not reflected in the subprogramme).

Although the ***Policy Development and Legislation* Programme** performed well overall, the *Policy Development and Research* sub-programme achieved 100% of its targets, while the *Legislation* sub-programme achieved none of its predetermined targets. The *Legislation* sub-programme aimed to submit the following Bills to the Minister for approval:

1. Critical Infrastructure Protection Bill
2. Firearms Control Amendment Bill
3. South African Police Service Amendment Bill
4. Animal Movement and Animal Produce Bill
5. Independent Police Investigative Directorate Amendment Bill
6. Protection of Constitutional Democracy Against Terrorist and Related Activities Amendment Bill

The draft Critical Infrastructure Protection Bill was submitted to the Minister for approval.

The following reasons were stated for the underperformance:

* The Draft Firearms Control Amendment Bill was put on hold, pending the finalisation of further research commissioned by the Minister; and
* The Presidency requested reprioritisation and reduction in the number of Bills due to local government elections. Therefore, the rest of the Bills were removed from the 2016/17 Legislative programme.

The ***Civilian Oversight, Monitoring and Evaluation* Programme** successfully achieved 12 of its 13 predetermined targets, which is a performance rate of 92.3%. The target that was not achieved was the completion of a customer satisfaction survey. It should be noted that this is also a MTSF target.

**6. COMMITTEE OBSERVATIONS**

**6.1 Unqualified audit**

The Committee welcomed the improvement on the Secretariat’s unqualified audit opinion from the AGSA. It showed an improvement in the financial management and governance of the Secretariat. It is the first unqualified audit since the establishment of the Department in 2014/15. The Committee, while welcoming the audit, noted that it is from a low base and noted that the Secretariat still faces significant challenges in financial and strategic management.

**6.2 Ineffective Monitoring of Internal Controls**

The Committee noted that the management of internal controls was ineffective and there was a slowness of implementation of the AGSA’s recommendations. The Committee suggested that the Secretariat remedy the responses to the AG’s recommendations and graduate to the next level of audit findings (Clean Audit).

**6.3 Organisational structure**

The Committee has observed that the Secretariat has drafted a reviewed organisational structure, as the current structure is not aligned to the mandate of the Secretariat. The reviewed structure should be presented to the Committee as soon as possible. The Secretariat should also indicate the manner in which appointments and recruitment will be improved, as the Secretariat continues to struggle with filling vacant positions.

**6.5 Strategic Management**

The Committee raised concerns that **t**he AGSA made material findings on nine (9) performance indicators, in that it is not clearly defined, not specific, not measurable and that the method of calculation of performance is not clear. These indicators are not in line with the SMART criteria and has been a recurring finding of the AGSA. The Committee pointed out that there are limited technical details and the technical indicator description should be included in the development of indicators. The Committee pointed out that the Secretariat should indicate the manner in which performance indicators and targets will be reviewed in future to ensure that they comply with the FMPPI.

**6.6 MTSF Targets**

The Committee noted that two (2) of the performance indicators that are not SMART, namely the implementation of the School Safety Protocols and the completion of Safety Audits, are MTSF targets. These targets should be reviewed to adhere to the SMART principle, as it is a direct priority target of the MTSF. These targets are also prioritised by the NDP.

**6.7 Procurement and contract management**

The Committee raised its concerns in view of the fact that the AGSA has made recurring findings on deficiencies in the procurement and contract management of the Secretariat. Tenders are awarded to bidders not scoring highest on the Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. Additionally, the competitive quote processes are not followed for items procured under R500 000. The Committee resolved that the Secretariat should indicate the manner in which procurement and contract management will be improved during the 2017/18 financial year and going forward.

**6.8 Leadership**

The Committee noted that the AGSA found that the Secretariat had ineffective monitoring of action plans to address internal control deficiencies raised by both internal and external auditors. The Committee has suggested that the Secretariat indicate which measures as suggested by the AGSA were not implemented the 2016/17 financial year and also indicate the reason for failing to implement the recommendations.

**6.9 Consequence Management**

The Committee raised its concerns about the lack of consequence management for employees who fail to comply with supply chain management or performance prescripts. The Committee raised concerns over the lack of consequence management which has become a systemic problem. The Committee noted that the leadership of the Secretariat should take much more stringent actions to enforce compliance and implement consequence management for employees who fail to comply, especially in relation the senior management structure.

**6.10 Internal controls**

The Committee raised concerns over the management and implementation of internal controls and asked the Secretariat to indicate the manner in which internal controls will be increased to ensure adherence to relevant prescripts.

**6.11 The Role of Audit and Risk Committee**

The Committee has noted that while a good management relationship between the Audit Committee and the Secretariat management exists, plans must be put in place by the Audit Committee to ensure that the AGSA recommendations are implemented. The Audit and Risk Committee should monitor the implementation of the AGSA recommendations and intervene when necessary with the management of the Secretariat.

**6.12 Internal Audit section**

The Committee has noted that the Internal Audit staff component still suffers from significant capacity constraints. The Committee has called on the Secretariat to strengthen the human resource and material capacity of the Component.

**6.13 Emphasis of matters**

The Committee drew the attention of the Secretariat to the emphasis of matters by the AGSA on the restatement of figures and the material underspending on the budget of the Secretariat. Both these matters are of significant concern, as it shows weaknesses in the technical capacity and internal control mechanisms of the Secretariat.

**6.14 Accruals**

The Committee raised concerns about the accruals in the Secretariat and questioned the quality of internal controls to monitor such accruals. The Committee asked the Secretariat to indicate what measures have been put in place to keep accruals to a minimum, as this has been the basis of qualified audit opinions in two (2) previous financial years.

**6.15 Instability in expenditure**

The Committee noted that the Secretariat recorded underspending in 2016/17 and overspending in 2015/16. The overspending led to unauthorised expenditure recorded in the 2016/17 financial year. The Committee raised concerns that the Secretariat should indicate the manner in which expenditure will be stabilised in coming financial years.

**6.16 Service delivery improvement**

The Committee has noted that the Secretariat does not have a Service Delivery Improvement Plan (SDIP) and that the plan is expected to be implemented in the 2018/19 financial year. The SDIP is crucial for the Secretariat in order for it to effectively implement its mandate and the Committee indicated that such a plan be developed.

**6.17 Risk Management Strategy**

The Committee suggested that the Secretariat should indicate the manner in which the roll-out of the RMS will be improved and taken out of the developmental stage. This will assist the Secretariat in moving towards a risk maturity model.

**6.18 Partnerships Programme**

The Committee noted that the underperformance recorded in the *Intersectoral coordination and Strategic Partnerships* Programme was concerning and asked for an explanation of the under-performance.

**6.19 Legislation sub-programme**

The Committee noted its unhappiness with the underperformance of the *Legislation* sub-programme and asked that the Secretariat should indicate the manner in which the performance of the *Legislation* sub-programme will be improved. The under-performance of the programme relates directly in the inability of the Secretariat to table the expected legislation and in particular the review of the SAPS Act. The Committee alluded to the tabled Critical Infrastructure Bill which was tabled in terms of section 159 of the Joint Rules.

**6.20 Research Section**

The Committee noted its concerns that the Secretariat should, as the technical adviser to the Minister, provide strategic research to the Minister of Police. The fact that the SAPS has now established its own research section could lead to potential conflict. The issue of the policing model for South Africa was noted as a case in point and the Committee pointed out that the SAPS and the Secretariat can develop different models in this regard. The Committee asked the Secretariat to make sure that it takes primary responsibility for all strategic and policy research areas and flesh out the issues of operational research that the SAPS has taken responsibility for. The Committee also noted that that research reports and policy documents should be made available to the Committee proactively after the Secretary of Police signs it off.

**7. SUMMARY OF REPORTING REQUESTS**

**Table 3: Summary of Reporting Requests**

| **REPORTING MATTER** | **ACTION REQUIRED** | **TIMEFRAME** |
| --- | --- | --- |
| Auditor-General’s Findings | The Secretariat should develop an action plan to improve financial management controls. | 24 October 2017 |
| The Secretariat should review its indicators to make sure they comply with the SMART principles and provide the Committee with a report | 15 November 2017 |
| A report on procurement and contract management is to be made available to the Committee in this regard. | 24 October 2017 |
| The Secretariat to provide a quarterly report on the emphasis of matters by the AGSA on the restatement of figures and the material underspending on the budget | Quarterly |
| The Secretariat to provide a report on consequence management in Programme 2 | 24 October 2017 |
| Research Section | The Committee recommends that the Secretariat provides a report on the Research agenda and its interaction with the SAPS | 30 November 2017 |
|  |  |

**8. COMMITTEE RECOMMENDATIONS**:

1. The Committee recommends that the Secretariat develop action plans to improve financial management controls, obtain a clean audit opinion and provide quarterly reports to the Portfolio Committee.
2. The Committee recommends that the Secretariat fills all its vacant posts as a matter of urgency and provide the Committee with a copy of the reviewed organisational structure.
3. The Committee recommends that the Executive Authority immediately facilitates the acceptance of the SAPS to pay the R6 million in legal fees accrued by the Secretariat.
4. The Committee recommends that the Secretariat reviews its performance indicators, include the technical indication descriptors identified by the Auditor-General, and make it specific and measurable in terms of the SMART criteria. The Secretariat should include School Safety Protocols and the completion of Safety Audits which are priority MTSF targets. The Secretariat should indicate the manner in which performance indicators and targets will be reviewed in future to ensure that it complies with the FMPPI.
5. The Committee recommends that the Secretariat indicate which findings of the AGSA and the internal audit were not implemented the 2016/17 financial year.
6. The Committee recommends that the Audit and Risk Committee should monitor the implementation of the AGSA recommendations and intervene when necessary with the management of the Secretariat and engage with the Portfolio Committee where necessary.
7. The Committee recommends that the Internal Audit staff component must be strengthened with human resource and material capacity of the Component.

1. The Committee recommends that the Secretariat should implement consequence management in order to address financial and performance deficiencies in the Department, starting with the SMS level.

1. The Committee recommends that the Secretariat to provide a report on what measures it has put in place to keep accruals to a minimum, as this has been the basis of qualified audit opinions in two (2) previous financial years.
2. The Committee recommends that the Secretariat address overspending that led to unauthorised expenditure recorded in the 2016/17 financial year and indicate the manner in which expenditure will be stabilised in coming financial years.
3. The Committee recommends that the Secretariat should prioritise the implementation of the Service Delivery Improvement Plan (SDIP) and indicate when the plan is expected to be implemented in the 2018/19 financial year.
4. The Committee recommends that the Secretariat should indicate the manner in which the roll-out of the Risk Management Strategy will be improved and taken out of the developmental stage.
5. The Committee recommends that the Secretariat provides an action plan to address the underperformance recorded in the Inter-sectoral Coordination and Strategic Partnerships Programme by 24 October 2017.
6. The Committee recommends that the Secretariat develop a turnaround plan to change the under-performance of the Legislation sub-programme.
7. The Committee recommends that the Secretariat develops an MOU with the SAPS on the research agenda of the Secretariat to clarify roles and functions.
8. The Committee recommends that research reports and policy documents should be made available to the Committee proactively after the Secretary of Police signs it off.

**9. CONCLUSION**

The Portfolio Committee on Police has raised its concerns about the ability of the Secretariat to fully implement its mandate. While the Committee welcomes the turnaround on the audit from the Civilian Secretariat, there is still a lot of work that lies ahead in order for the Secretariat to become fully effective. The Committee believes that the Secretariat, as the technical adviser to the Minister of Police, must be in a position to deliver on policy and legislation for the South African Police Services. In order to do this, it must implement all the recommendations of the Auditor-General without delay before the end of the financial year.

**Report to be considered.**