**2. BUDGET REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON POLICE ON THE 2016/17 ANNUAL REPORT PLAN OF THE SOUTH AFRICAN POLICE SERVICES (SAPS), DATED 6 OCTOBER 2017.**

The Portfolio Committee on Police, having considered the financial and service delivery performance of the South African Police Services (SAPS) for the 2016/17 financial year, reports as follows:

1. **1. Introduction** 
   1. **Description of core functions of the Department**

The core functions of the South African Police Service (SAPS) in terms of Section 205 (3) of the Constitution are to prevent, combat and investigate crime; maintain public order; protect and secure the inhabitants of the Republic and their property; and to uphold and enforce the law. The budget vote of the Department of Police is appropriated by Parliament in the Estimates of National Expenditure (ENE) as Vote 25.

**1.2 Mandate of the Portfolio Committee on Police**

The mandate of the Portfolio Committee on Police is derived from sections 55 and 56 of the Constitution. The mandate of the Portfolio Committee on Police is to:

a) Monitor the financial and non-financial performance of government departments and their entities to ensure that national objectives are met;

b) Process and pass legislation;

c) Facilitate public participation in Parliament relating to issues of oversight and legislation;

d) Review the performance of departments and entity through annual reports;

e) Scrutinize the financial and non-financial performance of departments and entity;

f) Interrogate the annual performance and strategic plans of the departments and entity; and

g) Monitor the implementation of legislation.

**1.3 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:

1. an assessment of the department’s service delivery performance given available resources;
2. an assessment on the effectiveness and efficiency of departments use and forward allocation of available resources; and
3. 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.

This Budget Review and Recommendation Report is markedly different from previous year’s reports in that it is almost exclusively focussed on the Auditor General of South Africa’s (AGSA) report and recommendations. The Portfolio Committee on Police has noted the Auditor General’s qualification for the SAPS financial and performance. This report is focussed almost exclusively on the AGSA recommendations and report because the Committee views the fact that the SAPS has received a qualified audit for the first time in several years, with great concern. This is considered serious in view of the fact that the budget of the SAPS totals over R80 billion. The Committee has over the last three years raised the tardiness and slow response to the AGSA recommendations as a reflection of the state of command and control in the SAPS. The question of leadership stability is another urgent requirement for the SAPS to effectively implement its mandate by delivering effective services to the people of South Africa.

**1.4 Methodology in compiling the report**

This Report has been compiled after meetings held with the Department on 2 - 4 October 2017. During this period, the Department reported on performance in terms of its key programmes, key objectives, key targets, as well as financial performance. The Committee also consulted the oversight, budget and previous Budget Review and Recommendation Reports, Annual Performance Plan and the SAPS Strategic Plans in compiling the report. Other documents consulted include the 2017 State of the Nation Address, the Medium Term Budget Policy Statement and the response by the Minister of Finance.

**1.4.1 Oversight Reports**

The Committee also gathered information from its oversight visit to police stations in the Eastern Cape Province:

**Table 1: Oversight visits to police stations**

|  |  |  |
| --- | --- | --- |
| **Date of visit** | **Police Stations** | **Province** |
| 13-16 September 2016 | * Private Security Industry Regulatory Authority * SAPS Humewood Garage * New Brighton Police Station * TETRA 10111 Centre, Korsten * KwaZakhele Police Station * Nelson Mandela Bay Metro Police * Delegation of Eastern Cape Reservists | Eastern Cape Province |

Other information used in the assessment of the service delivery and financial performance included:

* Committee reports on the 2016/17 budget hearings, strategic plans and annual report;
* The National Development Plan;
* The 2016 Estimates of National Expenditure;
* The 2016 Budget Report of the Committee;
* The 2016 Budget Speech of the Minister of Finance;
* The 2016 State of the Nation Address by President Zuma; and
* The Auditor-General Report on the SAPS.

**1.5 Structure of the Report**

This report comprises seven sections:

Section 1: Introduction – sets out the mandate of the Committee, the purpose of this report (BRRR) and the process to develop this report.

1. Section 2: Provides an overview of the key relevant policy focus areas.

Section 3: Provides an overview and summary of previous key financial and performance recommendations of Committee(2015/16).

1. Section 4: Provides a broad overview and assessment of financial performance of the Department for 2016/17.
2. Section 5: Overview of service delivery and performance.
3. Section 6: Key Committee findings.
4. Section 7: Summarises key recommendations.

1. **2. Overview of the key relevant policy focus areas**

In his **State of the Nation Address** in February 2017, the President noted that many communities are having social difficulties as a result of the scourge of drugs. The President indicated that the fight against crime is an apex priority for government and that the police will increase visible policing, building on the successful pattern of deployments utilised during the Safer Festive Season campaign. They will also utilise certain specialised capabilities, such as the Tactical Response Teams and National Intervention Units, to assist in addressing problematic high-crime areas. He called on communities in Soshanguve to partner with police to build stronger partnerships to ensure that criminals do not prey on residents.

Other measures to fight crime nationally will include the establishment of specialised units, focusing on drug-related crime, taxi violence and firearms and the enhanced utilisation of investigative aids such as forensic leads. The President stated that the police will also enhance the utilisation of the DNA database in the identification of suspects. He urged the public to work with the police to ensure safer communities. Lastly, he welcomed the decline in Rhino poaching incidents since October 2015, which is for the first time in a decade. This arises from intensive joint operations by law enforcement agencies.

In his **2016 Medium Term Budget Policy Statement (MTBPS)** the Minister of Finance noted that the back-to-basics programme of the SAPS required support over the medium term, and that the SAPS will strengthen its implementation of its back-to-basics strategy. The strategy seeks to promote an approach to policing focused on every police officer doing the basics of policing properly and consistently. He also reported that the defence, public order and safety budget will increase by 5.8% over the medium term.

**2.1 The Medium Term Strategic Framework: Government Outcomes**

The Department of Planning, Monitoring and Evaluation (DPME) have developed a Mid-Term Review of progress towards the National Development Plan implemented through the Medium Term Strategic Framework (MTSF) (2014-2019).

The MTSF is Government’s strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the National Development Plan. Outcome 3 of the Delivery Agreement for safety states that *“All people in South Africa are and feel safe”***.** The Mid-Term Review indicates that National Security Strategy adopted in 2013 identified four main threats threaten the safety of South Africans: the private security industry, cyber insecurity, political instability and espionage.

The report states that crime and corruption can be attributed to issues including structural unemployment, high levels of poverty and inequality, social and political exclusion and marginalization as well as the decay in the moral fibre of society.

In order to achieve the outcome, there are seven key outputs with defined indicators and targets that are required to ensure that Outcome 3 is attained.

The following are key outcomes that have been identified by government in its MTSF for its 2014-2019 term:

* Reduced levels of serious and violent crime;
* An efficient and effective Criminal Justice System;
* South Africa’s borders effectively defended, protected, secured and well-managed;
* Secure cyber space;
* Domestic stability ensured; and
* Secure identity of all persons in South Africa.

The DPME summarized the MTSF targets for 2014-2019 and the following table provides a summary of the selective indicators and targets for Outcome 3:

**Table 2: Summary of commitments made in the MTSF 2014-2019 for Outcome 3**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Impact Indicator** | **Baseline** | **2019 Target** | **Mid-Term Progress Report August 2014 to**  **November 2016** | **Progress Status** |
| Number of Contacts reported  (7 crimes) | 617 239 | 555 515.1  (reduce by 10%) | 616 973 (2014/15)  623 223 (2015/16) | **Not Achieved** |
| Number of crimes  against women, children and other vulnerable groups | 225 239 | 202 696  (reduce by 10%) | 212 812 | **Not Achieved** |
| Percentage of people feeling safe walking alone in their area during the day | 86 percent  (Victims  of Crime  Survey, 2012 | 89 percent | 85.4 percent  (VOCS 2014/15)  83.7 percent  (VOCS 2015/16) | **Not Achieved** |
| Percentage of people feeling safe walking alone in their area at night | 37 percent  (Victims  of Crime  Survey,2012) | 39 percent | 31.0 percent  (VOCS 2014/15)  30.7 percent  (VOCS 2015/16) | **Not Achieved** |
| Percentage of households  believing that the level of violent crime has gone  down | 38 percent  (Victims  of Crime  Survey,2012) | 55 percent | 28.7 percent  (VOCS 2014/15)  28.1 percent  (VOCS 2015/16) | **Not Achieved** |
| Percentage of households who were satisfied with  the police in their area | 62 percent  (Victims  of Crime  Survey,2012) | 70 percent | 56.9 percent  (VOCS 2014/15)  58.8 percent  (VOCS 2015/16) | **Not Achieved** |
| Perception of  households’ satisfaction with the way courts  generally deal with  perpetrators of crime | 63 percent  (Victims  of Crime  Survey,2012) | 70 percent | 54.0 percent  (VOCS 2014/15)  52.3 percent  (VOCS 2015/16) | **Not Achieved** |
| Corruption  Number of persons | 52  convictions  (2013/14 | 120 convictions  (cumulative | 110 persons  convicted | **Achieved** |
| Convicted for  corruption or offences relating to corruption where the amount benefited per case is more than R5 million |  |  |  | **Achieved** |
| Ranking on the  Transparency  International Perception  Index | 72 out  of 177  countries  (2013) | Improve ranking to  below 50 by 2019 | South Africa  ranked 61 out of  167 countries with  a score rating for 44 for both 2014 and 2015  South Africa  ranked 64 out of  176 countries with a score rating for 45 in 2016  (Corruption  Perception Index) | **Not Achieved** |

**Source: DPME, MTSF Review 2017**

The Report shows that the Victims of Crime Survey (VOCS) undertaken by Statistics South Africa reveals that the percentage of households who believed that the level of violent crime had decreased slightly from 28.7 percent in 2014/15 to 28.1 percent in 2015/16.

**2.2 SAPS organisational environment**

The SAPS organisational environment was not without challenges in the 2016/17 financial year. There are a number of matters that the Committee raised in the course of its deliberations with the Department. These are matters that were in public domain that impacted on the ability of the SAPS to carry out its mandate effectively.

**2.2.1 Leadership of the SAPS**

The question of the public leadership of the SAPS has been a concern to the Portfolio Committee for a long time. The SAPS has been without a National Commissioner since the suspension of the former National Commissioner, General Riah Phiyega. During October 2015 the President appointed Major-General Phahlane until 2017 when he was asked to relinquish the acting position in favour of Major-General Mothiba in June 2017. The Committee has raised the issue of a permanent appointment of a National Commissioner in line with the proposals of the National Development Plan (NDP) that provides for a Board of Commissioners to make recommendations to the President. The Committee has noted that the non-appointment of a permanent National Commissioner has impacted on the morale of members and the ability of the SAPS to implement its mandate effectively over the period. The Committee has noted in several meetings that the appointment of the National Commissioner of Police must inspire the necessary confidence in policing.

In addition, the posts of Divisional Commissioner of Crime Intelligence has not been filled as a result of the suspension of the previous Divisional Commissioner for Intelligence, for the past six years. This has caused further instability, conflict and uncertainty in the top management echelon of the SAPS and the inability of the SAPS to resolve the matter was not acceptable to the Committee. The SAPS Crime Intelligence has come under increased scrutiny by the Committee during the last financial year and the Committee has stated that it wants the position of a permanent Divisional Head for Crime Intelligence finalised as soon as possible.

The Deputy National Commissioner for Crime detection has bene vacant for more than a year and the Detective Services programme has not been very effective as a result. It did not reach its targets as the Auditor General’s Report confirms. The Committee has also verified the inability of the detectives to carry out its mandate effectively in the investigation of crime as their oversight visits have shown.

The number of acting appointments in the SAPS has caused instability in the leadership and impacted on the ability of the SAPS to deliver on its mandate.

**2.2.2 Establishment of New Units**

The SAPS was tasked by the President to establish two new units dealing with firearms and narcotics. The National Bureau for Illegal Firearm Control and Priority Violent Crime (NBIFCPVC) and the SA Narcotics Enforcement Bureau was established in mid-2016 with a temporary staff establishment. The Committee has called on the SAPS to provide the statistics on the number of new members that would be appointed to staff the new units. It has become clear that the structure of the new units has not been finalised in order to enable the SAPS to proceed with its important work of dealing with illegal firearms and narcotics.

**2.2.3 Inability of the SAPS to implement Auditor-General recommendations**

The SAPS has not effectively implemented the recommendations of the Auditor-General of South Africa (AGSA). The Committee has noted for the past three years, the inability of the SAPS management to implement effective consequence management for members of the SAPS management to implement the recommendations of the AGSA. The Committee is concerned and cannot stand by to see how the SAPS fails to implement the recommendations. The Committee is for this reason, committing itself to make sure that the control environment of the SAPS management is strengthened in order for it to take firm decisions.

**2.3 National Development Plan (NDP)**

The SAPS in its contribution to the National Development Plan focused on four key pillars for the implementation of the National Development Plan (NDP). These pillars are listed in the Annual Report and Annual Performance Plan as follows:

1. Strengthening the Criminal Justice System;
2. Professionalisation of the Police;
3. Demilitarisation of the Police; and
4. Building safety using an integrated approach.

The implementation of the country’s Vision for 2030 (NDP) is captured in government’s planning, budgeting and performance reporting cycle, as reflected in the Medium-Term Strategic Framework (MTSF), which extends from 2014 to 2019. The MTSF includes the following key targets towards the realisation of a South Africa in which all people are and feel safe:

1) A reduction in the number of reported contact crimes;

2) An increase in the proportion of citizens feeling safe when walking alone during the day or at night, as measured in official surveys

3) An increase in the proportion of households that are satisfied with police services in their area, and with the way courts deal with the perpetrators of crime;

4) Improvement in citizens’ perceptions of levels of crime and progress in reducing crime, as measured in official surveys; and

5) An improvement in South Africa’s ranking on the Transparency International Perception Index.

The Portfolio Committee on Police has embarked on a vigorous monitoring process of the progress that the SAPS have shown in implementing the National Development Plan as spelt out in Chapter 12 of the NDP. The Committee has regular briefings on the progress to implement the recommendations of the Farlam Commission.

**2.4 Overview of SAPS Strategic Plan and Annual Performance Plan**

The SAPS 2016/17 Annual Performance Plan and the Strategic Plan (2014-2019) gives effect to the Justice, Crime Prevention and Security (JCPS) cluster Outcome 3: “All people are and feel safe” by making sure that it implements two broad goals:

* Goal 1: Ensuring that all people in South Africa are and feel safe
* Goal 2: Ensuring adequate availability of and access to SAPS service points

The sub-outcomes relating to the SAPS to realise Outcome 3 are; to reduce corruption in the public and private sector.

The Department identified the following priorities in its 2014-2019 Strategic Plan:

* National Security Strategy;
* Service Delivery Improvement Programme;
* Rural Safety Strategy;
* Public Order Policing Strategy; and
* National Crime Prevention Strategy.

**2.5 Ministerial Priorities**

All of the priorities of SAPS are critical to the operational success of the SAPS, and in particular, its ability to substantively contribute to the Delivery Agreement by making sure that people are and feel safe. In addition to these priorities, the Minister developed the following priorities in 2015/16:

* Strengthening the Criminal Justice System.
* Professionalisation of the Police.
* Demilitarisation of the Police.
* Building safety using an integrated approach.
* Modernisation of the Human Resource Management.
* Towards a single police service.
* Towards working with Statistics South Africa, working with official crime statistics.
* Institutionalising Frontline Service delivery.
* Community outreach programmes.

**3. Summary of previous (2016) key financial and performance recommendations of the Committee**

**3.1. 2016 BRRR Recommendations**

The Committee made a total of 41 recommendations in its 2016 Budget Review and Recommendation Report which pertained to the five programmes of the Department. These included the following:

**3.1.1 Programme 1: Administration**

1. The Committee recommends that on disciplinary matters, the SAPS Annual Reportshould contain disaggregated data i.e. incident, rank of officers, police station/units, provinces; PC should be advised on strategies/remedial action taken to address these. More detail and disaggregated information should be provided on the outcome of disciplinary cases instituted against members as well as nature of incidents of corruption by members.
2. The Committee recommends that the SAPS provides disaggregated reporting on reported sexual offences and rape in the Annual Report.
3. The Committee recommends that the appointment of the Deputy National Commissioner for Crime Detectionmust urgently be pursued and the appointment of other senior managers such as Divisional Commissioners in the Crime Intelligence environment must be completed urgently.
4. The building management programme must ensure that there are clear targets and deliverables when it comes to station building, especially in the Nyanga Policing area as it remains the highest crime area in the country. There should be clear progress with the building of the second police station in the Weltevreden area.
5. The Committee recommends that the SAPS Building programme with respect to the construction of new police stations and the building renovations programme is accelerated.
6. The Committee recommends that the SAPS should have a better managerial hold over the high number of Civil Claims as this is an indicator of discipline and consequence management in SAPS and the Management must put measures in place to improve the professional conduct of police officers.
7. The Committee recommends that additional training for Public Order Policing members in Crowd Control should be rolled out as a matter of urgency.
8. The Committee recommends that the FCS Units must be strengthened to police Gender Based Violence approaches and rolled out. Special attention should be given to the feedback process to complainants.
9. The Committee recommends that the SAPSmanagement should embark on a cost-analysis and provide a plan on how they plan to roll out forensic social workers to all police stations.
10. The Committee recommends that indicators specified for public order policing unit and special task force is ‘stabilised’ should be linked to compliance and human rights standards.
11. The Committee recommends that the Community Police Forums (CPF) indicator should be broadened to include reporting oninter-sectoral initiatives/interventions with other departments/structures in terms of crime prevention.
12. The Committee recommends that the SAPS should make available the research agenda of the new Research Division.
13. The Committee recommends that the SAPS should consider all new Regulation 45 appointments in exceptional cases only and the Committee urges the SAPS Management to advertise all posts in the Senior Management Section. All new appointments on levels 14-16 should be reported to the Committee and detailed biographies of the appointees should be included.
14. The Committee recommends that these appointments should be reported in the Annual Report and the rank from which the appointment was made should be included.

**3.1.2 Programme 2: Visible Policing**

1. The Committee recommends that the SAPS review and strengthen the implementation of policy directives regarding use of firearms including the establishment of independent mechanisms/review process for excessive use of force incidents; safe carriage of firearms and ammunition when officers are on/off duty and safe storage.
2. The Committee recommends that the SAPS adhere to competency requirements for police officers carrying firearms including background checks, training requirements, accreditation and removal of firearms due to negligence or abuse, and disciplinary action.
3. The Committee recommends the SAPS capacitate, train and support police officers through on going accredited training in firearm use, as well as alternative tactics and strategies to lethal force.
4. The Committee recommends that the SAPS strengthen the link between schools and police stations throughout the country as it is a priority and the fact that it was only implemented in 1053 schools is unacceptable and the SAPS Management must rectify this.
5. The Committee recommends that all Designated Firearms Officers must be capacitated at all stations to be able to effectively manage their tasks.
6. The Committee recommends that the SAPS should do more to deal with Domestic Violence and not refer women to courts for restraining orders without launching a criminal investigation.
7. The Committee recommends that Cluster commanders should be rotated if they are ineffective and the ineffectiveness of some cluster commanders should be addressed by management.
8. The Committee recommends that the SAPS must deal with the inconsistencies in instructions with regard to firearm licences, renewal applications and new applications as a matter of urgency.

**3.1.3 Programme 3: Detectives**

1. The Committee recommends that the Department should include key performance indicators (KPIs) in its APP to measure performance on the basic capacitation of the Crime Detection Component, in terms of facilities and equipment provided to detectives.
2. The Committee resolves that it will engage its counterparts in the justice environment to schedule a joint meeting to discuss challenges around trial-ready cases (the meeting will include representatives from the SAPS and NPA).
3. In terms of the reporting obligations of the DPCI as per the SAPS Act of 1995, the Committee recommends the following:

The performance of the DPCI should be contained in a separate section of the SAPS Annual Report (arguably as the last section of the Detective Services Programme). This should include performance on KPIs, budget, personnel related issues (vacancies and fixed establishment), training and accommodation. This necessitates a departure from its current reporting form in terms of sub-programmes, until such time as the location of the DPCI (either as a Vote or Budget Programme) is finalised. The Committee further recommends that it must be made clear upfront that the personnel of the DPCI is included in the fixed establishment of the SAPS and that the budget allocation of the DPCI is located within the SAPS Vote, despite it being exclusively appropriated for the DPCI (ring-fenced), as to avoid any confusion on this matter. The Committee further resolves that no further extension to comply with the SAPS Act of 1995 will be granted in terms of the reporting requirements of the DPCI.

1. The Committee recommends that the SAPS engage in a meeting with the National Prosecuting Authority to discuss and remedy the matter of “trial-ready” docket indicators.

**3.1.4 Programme 4: Crime Intelligence**

1. The Committee recommends that the SAPS should develop at least one performance indicator to provide a mechanism to measure the value added by the products generated by the Crime Intelligence Component to the Crime Prevention and Crime Detection Components of the SAPS.
2. The Committee recommends that the SAPS should ensure that all personnel attached to the Crime Intelligence Component are vetted and that regular lifestyle audits are conducted to ensure the overall integrity of the component.
3. The Committee recommends that ground coverage of crime intelligence should be increased in relation to capacitating this environment, especially at Cluster level.
4. The Committee recommends that the Department should consider informants as a force multiplier and endeavour to attract and retain more strategic informants.

**3.1.5 Programme 5: Protection and Security Services**

1. The Committee recommends that the SAPS should focus on improving the working conditions, the nature of relationships with the Executive and the job descriptions of VIP Protectors.
2. The Committee recommends that the issue of accommodation for the Free State VIP Protectors be urgently addressed and finalised and a report be made available to the Committee.
3. The Committee recommends that the Department should continue with its endeavours to cultivate a relationship of mutual respect between the Executive and VIP Protectors through the enhancement and continuation of current roadshows and discussion with the Executive.
4. The Committee recommends that the Department should consider implementing a strategy in which VIP Protectors are rotated on a regular basis to avoid over-familiarly and complacency with members of the Executive.
5. The Committee recommends that the Department should mitigate against the over-expenditure recorded for the VIP Protection Component.
6. The Committee recommends that the Department should stabilise the vehicle fleet of the VIP Protection Component.
7. The Committee recommends that the Department should pay attention to the working conditions of members attached to the Static Security Component and develop a career-path for those members that express an interest to enter other components of the SAPS.
8. The Committee recommends that the Department should consider implementing a strategy in which VIP Protectors are rotated on a regular basis to avoid over-familiarly and complacency with members of the Executive.
9. The Committee recommends that the Department should mitigate against the over-expenditure recorded for the VIP Protection Component.
10. The Committee recommends that the Department should stabilise the vehicle fleet of the VIP Protection Component.
11. The Committee recommends that the Department should pay attention to the working conditions of members attached to the Static Security Component and develop a career-path for those members that express an interest to enter other components of the SAPS.

**3.2. Committee 2016/17 Budget Report**

The Portfolio Committee made the following recommendations in terms of the 2016/17 Annual Performance Plan, Strategic Plan (2015-2019) and the 2016/17 Budget of the Department of Police:

***3.2.1 Budget recommendations:***

**Performance Based Recommendations:**

1. The Committee recommends that the Department aligns all its APP targets to the MTSF targets in order for SAPS to meet the objectives of the NDP.
2. The Committee recommends that the SAPS re-inserts the targets which was removed from the 2017/18 APP targets for the detection rate for the Detectives Programme. The Committee is of the view that the SAPS targets in the APP are too low.
3. The Committee recommends that the SAPS adheres to high ethical and professional standards in meeting service delivery needs of the people of South Africa by investigating any allegation of corruption, and to root out corruption in its senior leadership echelon.
4. The Committee recommends that the SAPS provide it with a full list of all gifts and sponsorships received by senior management within the two last financial years.
5. The Committee recommends that the SAPS provide bi-annual reports on the Use of Force.
6. The Committee recommends that CCTV cameras are installed in community service centres at all police stations.
7. The Committee recommends that the Department maintains the staff establishment over the medium term at station level noting the already high Compensation of Employees budget, natural attrition and recruitment of new staff members.
8. The Committee recommends that SAPS implements body-cams for frontline service delivery and report within 60 days.
9. The Committee recommends that the SAPS provide it with a full report on the training and recruitment of POPS members and an updated implementation plan for the establishment of new POPS units.
10. The Committee recommends that the post of Deputy National Commissioner: Crime Detection be filled immediately.
11. The Committee recommends that the disciplinary process the suspended Divisional Commissioner of Crime Intelligence be finalised.
12. The Committee recommends that any disciplinary cases against members of the senior management of the Department is finalised within ninety days in order to give certainty and stability to the Department with respect to its leadership, and to build public confidence and trust in the SAPS.
13. The Committee recommends that the DPCI reports on the establishment, capacity and training of staff for the Cyber-Crime Centre.
14. The Committee recommends that the SAPS reviews all targets in all its programmes including those not attained and those whose targets are too low and align it with the MTSF. A special effort must be made to deal with the detective’s programme with respect to trial-ready dockets.
15. The Committee recommends that the SAPS reviews the rank of Lieutenant-General and reviews how many such Generals have been allocated the rank outside the official post structures of the SAPS.
16. The Committee will convene in co-operation with other relevant Portfolio Committees, a Criminal Justice summit with all stakeholders of the Criminal Justice System in order to address with matters affecting the policing of crime.
17. The Committee recommends that the policing model should make provision for equity of policing services in urban, rural and deep rural areas and geographic divides. This includes clear provision of police resources to historically disadvantaged areas that does not discriminate against areas which have disproportionally high crime rates or is economically disadvantaged.
18. The Committee recommends that the SAPS Detective Services be given special attention with respect to performance management in attaining its targets.
19. The Committee recommends that all outstanding vetting in the Crime Intelligence Division be undertaken and a progress report is provided to the Committee within six months in this regard.
20. The Committee recommends that the Crime Intelligence Division maximise its deployment in other geographic jurisdictions to ensure crime detection and to deal with the international and cross border crime threat.
21. The Committee recommends that the SAPS and DPCI accommodation challenges must be addressed as a matter of urgency together with the Department of Public Works immediately. The SAPS must provide a status report to the Committee.
22. The Committee recommends that the Department completes the outstanding assessment of all National Key Points as per the performance indicator within the third quarter of the 2017/18 financial year.

**Directorate for Priority Crime Investigation**

1. The Committee recommends that the DPCI completes its organisation design assessment on the establishment of the Illegal Firearms Unit and the Narcotics Unit within six months. The Committee further recommends that the DPCI compiles a budget for the DPCI and the two new units and make a submission through the accounting officer, to National Treasury and Parliament.
2. The Committee recommends that the Executive Authority appoints a new DPCI Judge as soon as possible in view of passing of the Judge Moosa in order to cultivate public trust in the DPCI governance systems.
3. The Committee recommends that the DPCI focuses on levels 4-5 to fight organised crime as part of the criminal value chain

**4. REPORT OF THE AUDITOR-GENERAL (AG)**

The Audit Report of the AGSA is the most important independent assessment of the quality of financial statements, including all its disclosures.

**4.2.1. Report on the financial statements**

The SAPS received a qualified audit from the AGSA for the 2016/17 financial year. The opinion was based on the following:

* Movable tangible assets: The Department did not disclose network assets purchased in the annual financial statements even though future economic benefits or service potential was received by the Department in accordance with the Modified Cash Standards (MCS) 2, Concepts and Principles. The Department did not account for network assets purchased by the department and on its behalf by the State Information Technology Agency (SITA) in the disclosure note for movable tangible assets. Consequently, the disclosure note for movable tangible assets is understated.

**4.2.2. Report on the audit of the Annual Performance Report**

The AGSA audited the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the SAPS for 2016/17:

* Programme 1: Administration;
* Programme 2: Visible Policing; and
* Programme 3: Detective Service.

The AGSA made the following material findings:

**Programme 1: Administration**

No material findings were made on the usefulness and reliability of the reported performance information.

The AGSA was unable to secure sufficient evidence to support the reported achievements on the following performance indicators:

**Programme 2: Visible Policing**

1) Indicator: Volume of liquor confiscated as a result of police action;

2) Indicator: Quantity of illicit drugs confiscated as a result of police action;

3) Indicator: Percentage of School Safety Programmes implemented at identified schools;

4) Indicator: Percentage of medium to high-risk incidents stabilised in relation to requests received;

5) Indicator: Number of stolen/lost and illegal firearms recovered;

6) Indicator: Number of stolen/lost firearms, owned by other government departments, recovered;

7) Indicator: Percentage of applications of firearm licenses, permits authorisation, competency certificates and renewals;

8) Indicator: Number of rural and rural/urban mixed police stations implementing the set criteria of the four pillars of the Rural Safety Strategy; and

9) Indicator: Average national police reaction time to Alpha, Bravo and Charlie complaints.

**Programme 3: Detective Services**

1) Indicator: Percentage of trial-ready case dockets for crime against women 18 years and above;

2) Indicator: Detection rate for cybercrime-related case charges (DPCI);

3) Indicator: Number of serious commercial crime-related trial-ready case dockets where officials are involved including procurement fraud and corruption (DPCI);

4) Indicator: Value of amount involved in procurement fraud and corruption-related cases

5) Indicator: Detection rate for serious commercial crime-related charges (DPCI);

6) Indicator: Percentage of trial-ready case dockets for fraud and corruption for individuals within the JCPS Cluster (DPCI);

7) Indicator: Percentage of trial-ready case dockets for serious commercial-related crime charges (DPCI);

8) Indicator: Percentage of Ballistics (IBIS) case-exhibits (entries) finalised (acquired);

9) Indicator: Percentage of Biology Deoxyribonucleic Acid (DNA) Intelligence case exhibits (entries) finalised;

10) Indicator: Percentage of reduction in case exhibits (entries) exceeding time frame of 28 working days; and

11) Indicator: Percentage of routine case exhibits (entries) finalised.

**4.2.3.** **Report on audit of compliance to legislation**

In terms of compliance with legislation, the AGSA made the following material findings on non-compliance with specific matters in key legislation:

**4.2.4 Expenditure management**

Effective steps were not taken to prevent irregular expenditure amounting to R20.3 million as disclosed in note 24 of the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

**4.2.5 Annual Financial Statements, Performance Report and Annual Report**

* The financial statements submitted for auditing were not prepare in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA.
* Uncorrected material misstatements in movable tangible capital assets disclosure note resulted in the financial statements receiving a qualified audit opinion.

**4.2.6 Procurement and contract management**

* Some of the officials in the service of the SAPS who had a private or business interest in contracts awarded by the SAPS failed to disclose such interests, as required by Treasury Regulation 16A8.4, Public Service Regulation 3C and Regulation 20(M) of the South African Police Service Discipline Regulations (of 2006). Similar non-compliance was also reported in the prior year.
* Some of the officials in the service of the SAPS whose close family members, partners or associates had a private or business interest in contracts awarded by the Department failed to disclose such interest, as required by Treasury Regulation 16A8.4.
* Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Some deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4.

**4.2.7 Consequence management**

* Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure; as required by section 38(1)(h)(iii) of the PFMA.

**4.2.8. Internal control deficiencies**

**Leadership**

* There is instability in the position of National Commissioner and also a vacancy at Deputy National Commissioner Level (Crime Detection).
* Instances were identified where no action was taken for irregular expenditure incurred by the Department due to lack of consequences for poor performance and transgressions.

**Financial and performance management**

* Senior management have been slow in addressing audit findings, implementing of key controls and addressing risk areas especially on performance information.
* Misinterpretation of accounting standards also resulted in an uncorrected material misstatement in movable tangible assets disclosure note.

**4.3 GOVERNANCE**

**4.3.1 Risk Management**

The following should be noted in terms of Enterprise Risk Management:

* The Department has re-established its National Enterprise Risk Management Committee (ERMC), after a lapse in governance associated with risk management.
* The ERMC includes the Deputy National Commissioners to represent their various areas of functional responsibilities. Provincial ERMC’s have also been established, but need further support and capacitation.
* A Station Risk Response Plan has been developed for implementation in the 2017/18 financial year, which identifies the organisational controls that must be implemented for specific functionaries at police stations in order to prevent the identified strategic risks from occurring or mitigating their impact (should it occur).
* The SAPS has further modernised the risk management process, which involves the introduction of a stand-alone risk management system.

**4.3.2. Fraud and corruption**

In compliance with Chapter 2 of the Public Service Regulations (2016), the SAPS established an Integrity Management Service (IMS), during 2016/17. The IMS is not yet fully capacitated, but have identified several key issues that are in the process of being addressed, including the following:

* Appointment of ethics officers to address issues related to ethics and integrity and the establishment of an ethics committee;
* Conducting of annual ethics and anti-corruption risk assessments to identify and address organisational vulnerabilities;
* Implementation of advocacy and awareness programmes related to ethics, integrity, anti-corruption, the Codes of Conduct and Ethics, promoting integrity at work and ethical leadership;
* Implementation of Ethics/Anti-corruption Strategy and related policies;
* Management of conflict of interests through financial disclosures by all employees/approved remunerative work;
* Management of receipt of gifts/donation;
* Manage investigations into contraventions of the Ethics Code; and
* Establish and manage a whistleblowing capacity.

During 2016/17, 345 fraud and corruption related charges were brought against 345 members of the SAPS, of which the majority of charges related to aiding an escapee (152), followed by corruption (115) and defeating the ends of justice (35). During the period under review, 97 personnel were suspended, of which ten (10) personnel were suspended with salary and 87 were suspended without salary. Of the 345 members charged, 154 members were found guilty and 98 members were found not guilty. Of those found guilty, 49 were dismissed and 105 members received sanctions short of dismissal.

**4.3.3. Minimising conflict of interest**

During the June 2017 Scopa meeting, it emerged that 23 active police officers had traded with the SAPS during the 2015/16 financial year. According to the AGSA, the SAPS has the highest number of civil servants doing business with the State. This practice was criminalised from 2017, through section 13(c) of the Public Service Regulations, 2016.

The Deputy National Commissioner for Human Resource Management issued a national circular addressing the transitional arrangements in the Public Service Regulations 2016. A checklist was introduced and implemented for procurement practitioners, to utilise when quotations and bids are evaluated.

**4.3.4. Report of the Audit Committee**

The Audit Committee comprises of the following members:

• Ms B Ngunjiri (External);

• Mr T Boltman (External);

• Mr JE van Heerden (External)(Chairperson);

• Mr M Mokwele (External); and

• Mr M Karedi (External).

The Audit Committee held four (4) meetings during the 2016/17 financial year. The Audit Committee made the following findings/recommendations:

* The quality and completeness of the financial statements has been achieved, despite the qualification in respect of Movable Tangible Assets.
* Further sustainable interventions are required in the quality, reliability and overall integrity of the Performance Management System of the Department.
* Significant support and capacity building is required at provincial level of the Enterprise Risk Management Committees.

1. **FINANCIAL OVERVIEW**

**Overview of Vote allocation and spending for 2016/17 FY**

The SAPS received an adjusted appropriation of R80.984 billion during the 2016/17 financial year. The adjustments period did not affect the appropriation despite various virements made within the budget programmes of the police vote. During the adjustments, the appropriation of Visible Policing, Detective Services and Protection and Security Services was decreased with R253.4 million, R49.3 million and R62.8 million, respectively. The appropriation of the Administration and Crime Intelligence Programmes were increased with R332.5 million and R33.1 million respectively.

At the end of the 2016/17 financial year, the Department spent 100% of the final appropriation, leaving an insignificant amount of R15 thousand unspent in the Visible Policing Programme.

The *Visible Policing* Programme received the bulk of the total Departmental budget at 50.23 per cent, followed by the *Administration* Programme at 21.68 per cent and the *Detective Services* Programme at 20.73 per cent. The *Crime Intelligence* and *Protection and Security Services* Programmes received 4.14 per cent and 3.22 per cent of the total SAPS budget.

The *Detective Services* and *Protection and Security Services* Programmesboth received a real increase in 2016/17 compared to the previous financial year. The *Detective Services* Programme receives an R157.7 million real increase (1.01 per cent). This Programme also receives the largest proportional increase of all the SAPS budget programmes over the medium term (7.3 per cent). The *Protection and Security Services* Programme receives a real increase of almost R20 million (R19.9 million) in 2016/17 compared to 2015/16 (0.82 per cent real increase).

In terms of economic classification, *Machinery and equipment* grew with 21.9 per cent over the medium term, but reflects a slight decrease in 2016/17 compared to the previous financial year (1.0 per cent) in real terms. The budget allocation for *biological assets* showed a significant decrease in real terms in 2016/17, compared to the previous financial year (R4.7 million real decrease). Over the medium term, the allocation to this item decreased with 14.1 per cent.

In terms of the implementation of the CJS 7-point plan: R6 billion is allocated over the medium term for its ongoing implementation: R852 million in the *Administration* programme and R5.1 billion in the *Detective Services* programme.

* + Various case, person and exhibit management systems was implemented over the medium term at a total cost of R1.1 billion.
  + The remaining R4.9 billion for the implementation of the 7-point plan will be used for capacitating the detective and forensic services units with ICT and other infrastructure, such as mobile connectivity devices, CCTV capabilities for forensic science laboratories, and end user computer equipment for police stations.
  1. **Budget and expenditure**

The SAPS received an adjusted appropriation of R80.984 billion during the 2016/17 financial year. The adjustments period did not affect the appropriation despite various virements made within the budget programmes of the police vote. During the adjustments, the appropriation of *Visible Policing, Detective Services* and *Protection and Security Services* was decreased with R253.4 million, R49.3 million and R62.8 million, respectively. The appropriation of the *Administration* and *Crime Intelligence* Programmes were increased with R332.5 million and R33.1 million respectively.

**Table 3: Departmental Allocation and expenditure for 2016/17**

| **Programmes** | **Adjusted Appropriation** | **Virement** | **Final Appropriation** | **Actual Expenditure** | **Variance** | **% Spent** |
| --- | --- | --- | --- | --- | --- | --- |
| R’000 | R’000 | R’000 | R’000 | R’000 | % |
| Administration | 17 382 497 | 332 570 | 17 715 570 | 17 715 067 | 0 | 100% |
| Visible Policing | 40 865 906 | (253 482) | 40 612 424 | 40 612 409 | 15 | 100% |
| Detective Services | 16 772 488 | (49 362) | 16 723 126 | 16 723 126 | 0 | 100% |
| Crime Intelligence | 3 354 818 | 33 102 | 3 387 920 | 3 387 920 | 0 | 100% |
| Protection and Security Services | 2 609 142 | (62 828) | 2 546 314 | 2 546 314 | 0 | 100% |
| **Total** | **80 984 851** | **0** | **80 984 851** | **80 984 836** | **15** | 100% |

Source: 2016/17 SAPS Annual Report

At the end of the 2016/17 financial year, the Department spent 100% of the final appropriation, leaving an insignificant amount of R15 thousand unspent in the *Visible Policing* Programme.

* 1. **Irregular expenditure**

The Department incurred R4.679 million irregular expenditures, which was condoned in total at the end of the 2016/17 financial year. An amount of R842 thousand was also condoned during the period under review. The closing balance was R20.269 million, which relates to prior financial years. A greater effort should be made to clear the amounts related to prior financial years.

* 1. **Fruitless and wasteful expenditure**

The Department incurred R420 thousand fruitless and wasteful expenditure during the 2016/17 financial year. The Department had a closing balance of R7.814 million at the end of the financial year. A greater effort should be made to clear the amounts related to prior financial years.

* 1. **Civil claims**

In term of contingent liabilities, the Department allowed for R5.152 billion in claims against the Department in 2016/17, which increased from R4.469 billion in 2015/16. During 2016/17, the Department paid R42 million in civil claims against the Department. Claims from other departments increased significantly in 2016/17 compared to the previous financial year. In 2015/16, R28.9 million was claimed from other Departments, while in 2016/17 the figure increased to R81.2 million. In total, contingent liabilities stood at R5.234 billion at the end of the 2016/17 financial year.

* 1. **Performance overview 2016/17**

**5.5.1 Overall performance**

The SAPS achieved 78 out of 102 predetermined performance indicators in 2016/17, which is an achievement rate of 76.5%.

***Graph 1: SAPS performance 2016/17***

The *Administration* Programme achieved 18 out of 24 predetermined performance indicators, which is an achievement rate of 75%. The *Visible Policing* Programme achieved 20 out of 29 predetermined performance indicators, which is an achievement rate of 69%. However, the AGSA questioned the reliability of performance information of nine (9) performance indicators. The *Detective Services* Programme achieved 27 out of 34 predetermined performance indicators, which is an achievement rate of 79.4%. However, the AGSA questioned the reliability of performance information of eleven (11) performance indicators. The *Crime Intelligence* Programme achieved six (6) out of eight (8) predetermined performance indicators, which is an achievement rate of 75%. The *Protection and Security Services* Programme achieved 100% of its predetermined performance indicators.

The performance of the SAPS for the 2016/17 financial year is below par with that of previous years. The non-attainment of targets and under-performance of the SAPS, especially in the core programmes *Visible Policing*, *Detectives and Crime Intelligence Programmes* is cause for concern, especially in view of the increase in levels of violent crimes. The prevention and combatting of crime requires that frontline service delivery is enhanced and better service delivery to communities are provided. Similarly, the investigation of crime requires that the detectives are well-trained and experienced and provide regular feedback to complainants. The Committee in its oversight visits did not find this to be the case. Similarly, it also found the delivery of crime intelligence services in a poor state with stations not receiving good intelligence to prevent the types of crime and community protests the country has seen more recently.

* 1. **Directorate for Priority Crime Investigation (DPCI)**

The DPCI identified ten (10) performance indicators for the 2016/17 financial year, of which all targets were successfully achieved. One (1) indicator (*value amount involved in procurement fraud and corruption related cases*) was moved to the NPA. However, the AGSA made material findings on the usefulness and reliability of six (6) out of the ten (10) performance indicators. The DPCI received a final appropriation of R1.4 billion during the 2016/17 financial year, of which 100% was spent at year-end. However, there was a significant shifting in funds during the year under review, as shown by the table below. This could indicate ineffective planning or a shift in priorities during the financial year.

**Table 4: DPCI Allocation and expenditure for 2016/17**

| **Programmes** | **Adjusted Appropriation** | **Shifting of funds** | **Virement** | **Final Appropriation** | **Actual Expenditure** | **Variance** | **% Spent** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| R’000 | R’000 | R’000 | R’000 | R’000 | R’000 |  |
| **Current Payments** | **1 396 219** | **(19 192)** | **3 430** | **1 380 457** | **1 380 457** | **0** | **100%** |
| *Compensation of employees* | *1 109 154* | *26 075* | *3 430* | *1 138 659* | *1 138 659* | *0* | *100%* |
| *Goods and services* | *287 065* | *(45 267)* | *0* | *241 798* | *241 798* | *0* | *100%* |
| **Transfers and subsidies** | **8 541** | **2 481** | **0** | **11 022** | **11 022** | **0** | **100%** |
| *Provinces and municipalities* | *874* | *(3)* | *0* | *871* | *871* | *0* | *100%* |
| *Households* | *7 667* | *2 484* | *0* | *10 151* | *10 151* | *0* | *100%* |
| **Payments for capital assets** | **26 317** | **16 711** | **0** | **43 028** | **43 028** | **0** | **100%** |
| *Machinery and equipment* | *26 317* | *13 426* | *0* | *39 743* | *39 743* | *0* | *100%* |
| *Software and other intangible assets* | *0* | *3 285* | *0* | *3 285* | *3 285* | *0* | *100%* |
| **Total** | **1 431 077** | **0** | **3 430** | **1 434 507** | **1 434 507** | **0** | **100%** |

Source: 2016/17 SAPS Annual Report

* 1. **Police facility projects/Capital Works**

The SAPS spent R2.7 billion on capital assets during the 2016/17 financial year, of which R797 304 million was spent on *Buildings.* The Department did not finish any facility project during the period under review. Six (6) police stations were supposed to be constructed during the financial year, yet this target was not achieved.

**Table 5: Performance on building projects**

| **Phase/Project** | **Target** | **Actual Completion** | **% Completion** | **Deviation** |
| --- | --- | --- | --- | --- |
| Site clearance | 6 | 1 | 16.67% | -63.3% |
| Planning and design | 8 | 0 | 0% | -100% |
| Construction | 6 | 0 | 0% | -100% |
| Repairs and upgrades | 1 | 0 | 0% | -100% |
| Accessibility for persons with disabilities | 23 | 23 | 100 | - |
| Victim friendly facilities | 34 | 31 | 91.8% | 11.18% |
| Upgrading of cells | 8 | 3 | 37.5% | -42.5% |
| Generators: Devolved | 16 | 7 | 43.75 | -36.25% |
| Generators: High Sites | 6 | 0 | 0% | -100% |
| Air conditioners | 99 | 31 | 31.31% | -48.69% |
| Acquisition of leased police stations | 4 | 0 | 0% | -100% |
| Purchase of land | 6 | 0 | 0% | -100% |
| **Total** | **217** | **96** | **44.24%** | **-35.76%** |

Source: SAPS 2016/17 Annual Report

* 1. **Human resource management** 
     1. **Vacancy rate**

The Department had an **overall vacancy rate** of 1.7% as at the end of the 2016/17 financial year. The vacancies were most pronounced in the *Visible Policing* Programme (2.3%) and *Crime Intelligence* Programme (2.2%).

**Table 6: Vacancy rate per programme**

| **Programme** | **Number of posts** | **Number of filled posts** | **Vacancy rate (%)** |
| --- | --- | --- | --- |
| Administration | 37 826 | 37 729 | 0.3% |
| Visible Policing | 104 410 | 102 059 | 2.3% |
| Detective Services | 39 822 | 39 069 | 1.9% |
| Crime Intelligence | 9 355 | 9 153 | 2.2% |
| Protection and Security Services | 6 649 | 6 595 | 0.8% |
| **Total** | **198 062** | **194 605** | **1.7%** |

Source: SAPS 2016/17 Annual Report

In terms of employment and vacancies by **critical occupation**, the Department had a significantly low overall vacancy rate of 0.03%.

In terms of vacancies in the **Senior Management Structure (SMS)**, the Department had a vacancy rate of 8% with a total of 81 SMS positions vacant. At Band A (level 13), the SAPS had 95 vacancies. It should be noted that at Band B (level 14), the SAPS had an approved establishment of 207 posts, but had 222 employees in this band. According to the SAPS, 107% of positions were filled in this band, which means that the SAPS had 15 employees extra in this band with a negative vacancy rate of 7.2%.

* + 1. **Section 35 terminations**

Eight (8) section 35 terminations were awarded during the 2016/17 financial year. In terms of rank, the breakdown is as follows:

* Colonel (1);
* Brigadier (2);
* Major General (3); and
* Lieutenant General (2).
  + 1. **Regulation 45 Appointments/Promotions**

Regulation 45(9) of SAPS Employment Regulations, 2008, provide that the National Commissioner may promote an employee into a post without advertising it, and without following a selection process, on the conditions that:

* the National Commissioner was satisfied the employee qualified in all respects for the post;
* there were exceptional circumstances that warranted the deviation; and
* such a deviation was in the interest of the Service.

During 2016/17, the Acting National Commissioner made 83 Regulation 45 Promotions. This is almost double the amount of the previous financial year (41), which is already significantly more than the ten (10) Regulation 45 Promotions made in 2014/15 and one (1) in 2013/14. Thus, over the past four years, Regulation 45 Promotions increased with 8 200%.

The table below shows the ranks attached to Regulation 45 Promotions during the 2016/17 financial year.

**Table 7: Regulation 45 Promotions**

|  |  |
| --- | --- |
| **Rank** | **Number of promotions in terms of Regulation 45** |
| Lieutenant General | 1 |
| Major General | 21 |
| Brigadier | 33 |
| Colonel | 8 |
| Lieutenant Colonel | 3 |
| Captain | 3 |
| Warrant Officer | 5 |
| Sergeant | 9 |
| **Total** | **83** |

Source: 2016/17 SAPS Annual Report

In 2011/12 financial year, the then National Commissioner made 26 Regulation 45 Appointments/Promotions. During a Portfolio Committee meeting (June 2012) focusing on SAPS promotions, POPCRU stated that Regulation 45 of the SAPS Regulations are grossly misused and that the careers of many police members had been stifled by this misuse.

* 1. **Performance rewards**

No performance rewards were awarded during the 2016/17 financial year.

* 1. **Suspensions**

In 2016/17, 412 police members were suspended, of which 331 suspensions exceeded 60 days. The average number of days suspended amounted to 188.62 days at the cost of R6.71 million (R6 711 548).

**6. COMMITTEE KEY FINDINGS: DePARTMENT OF POLICE**

**6.1 Auditor General Recommendations**

1. **Qualified audit opinion**: The SAPS received its first qualified audit in 2016/17 due to a failure to correct a material misstatement on tangible movable assets. The qualified opinion in conjunction with the finding of the AGSA that financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA, is a serious indictment on the veracity of accounting practices in the Department.
2. **SITA Procurement**: The Department should provide a detailed report, including the nature of the assets and costs, of the network assets procured by SITA on behalf of the SAPS. The Department should indicate whether the network assets were procured as part of the CJS Revamp Project.
3. The Committee was concerned about that the Department should review its **Performance Management System**, as the AGSA made material findings on 20 performance indicators of the Visible Policing (9) and Detective Services (11) Programmes. The identified targets were not reliable and the method of calculation of performance was unclear. The Department should ensure that all performance indicators adhere to the SMART principle. The Committee took note of the fact that the SAPS will go on a roadshow to address performance management and dereliction of duty.
4. **Expenditure management:** The Department should indicate the reason for the failure to take effective steps to prevent irregular expenditure amounting to R20.3 million as disclosed in note 24 of the annual financial statements. This is a requirement of section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The Department should indicate what steps will be taken to mitigate against irregular expenditure.
5. **Procurement and contract management:** The AGSA found that some officials in the service of the SAPS, who had a private or business interest in contracts awarded by the SAPS, failed to disclose such interests, as required by Treasury Regulation 16A8.4, Public Service Regulation 3C and Regulation 20(M) of the SAPS Discipline Regulations (of 2006). Similar non-compliance was also reported in the prior year. The Department should make all Declarations of Interest available to the Committee for scrutiny.
6. Similarly, the AGSA further found that some of the officials in the service of the SAPS whose close family members, partners or associates had a **private or business interest** in contracts awarded by the Department failed to disclose such interest, as required by Treasury Regulation 16A8.4.
7. **Competitive bids:** The AGSA found that some of the *goods and services* of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. The Accounting Officer approved some deviations, even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4. The Department should state what investigations are underway and provide clear timeframes of the investigation. The outcome of the investigation should be made available to the Committee as soon as possible.
8. **Consequence management:** The AGSA found that disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure; as required by section 38(1)(h)(iii) of the PFMA. The Department should indicate the reason for disciplining some members and not all members. The Department should provide a comprehensive report on the investigations into irregular expenditure incurred during 2016/17 as well as the previous financial year. The report should clearly indicate the sanctions brought against members responsible for irregular expenditure. The Department should further develop an action plan on steps to prevent irregular expenditure, through a skills audit, training, skills development and consequence management.
9. **Leadership instability:** The Committee noted its concern about the instability in the position of National Commissioner, Deputy National Commissioner and Divisional Commissioner levels.
10. **Financial and performance management:** The AGSA found that senior management have been slow in addressing audit findings, implementing key controls and addressing risk areas especially on performance information. The Committee indicated that what action steps should be taken to remedy the poor performance of members at the SMS level.
11. **Misinterpretation of accounting standards:** This has been a longstanding issue between the SAPS and the AGSA, but in 2016/17, this misinterpretation resulted in the uncorrected material misstatement in movable tangible assets and a qualified audit opinion. The Committee noted that the Department should indicate the measures that will be taken to clear-up the misunderstanding and should be encouraged to follow the accounting prescripts of Treasury.
12. **Risk Management:** The enhancement of the National Enterprise Risk Management Committee (ERMC) is welcomed, especially the inclusion of Deputy National Commissioners to represent their various areas of functional responsibilities, establishment of provincial ERMC’s and *Station Risk Response Plans.* The Committee noted that Department should indicate how the Provincial Committees will be capacitated and who will be responsible for the implementation of *Station Risk Reponses Plans.* Those members charged with the implementation should be trained in aspects relating to Corporate Governance in order to understand the importance of ERM in an organisation.
13. **Risk Management System:** The Department should provide details on the introduction of a stand-alone risk management system, including costing and implementation timeframes*.* The Committee should welcome the modernisation of risk management, but assurances must be given that the SAPS understands and will effectively utilise such a system.
14. **Fraud and corruption**: It should be a concern that the majority of fraud and corruption cases related to *aiding escapees*. The Department should develop a specific system to prevent members from aiding escapees from police custody. The Department should indicate what measures are currently in place to prevent escapes and indicate the number of officials sanctioned for this during the 2016/17 financial year.
15. **Integrity Management Service (IMS):** The policy on disclosure of interest that is being developed by the IMS, should not only include gifts and donations, but also promotional items, like vehicles from dealerships being driven for publicity.
16. **Capital works:** The SAPS spent R2.7 billion on capital assets during the 2016/17 financial year, of which R797 304 million was spent on *Buildings,* yet no new police station was constructed despite a target of six (6). The Committee should engage the Department on the continued underperformance in the building environment. It is essential to bring police services closer to communities, especially those previous disadvantaged by spatial planning.
17. **Regulation 45 Promotions:** The Committee took a strong stance on Regulation 45 promotions. The fact that 83 members were promoted, while not being subjected to any selection process, should be of great concern, especially those promoted into very high ranks, including Lieutenant General (1), Major General (21) and Brigadier (33). This system circumvents normal promotion processes and leaves many deserving personnel without promotions. It is a subjective process and completely left to the discretion of the National Commissioner. The National and/ or Acting National Commissioners should not be allowed to make Regulation 45 promotions.
18. **Civil Claims:** The SAPS paid almost R50 million in civil claims during the 2016/17 financial year. This is one fifth of the IPIDs budget (R241 million). The Department should provide details on the cases and whether the claims regarding to the families of Marikana victims will be included in the contingent liability of the Department, which is already standing at R5 billion.
19. **DPCI:** The Committee re-emphasised that the DPCI should be a separate budget vote. The Acting Head of the DPCI and Acting National Commissioner should indicate whether further engagement was held with Treasury in establishing the DPCI as a separate Vote/Department.
20. **Cluster Management:** The Committee has noted that Clusters Commanders were not performing their duties to support station commanders effectively. The Committee is of the opinion that the Regional Commissioners should call all their cluster commanders together with the purpose of re-training and re-emphasising their job descriptions. The Committee will monitor the effectiveness of the Cluster Commanders.

1. **Detectives:** The Committee has noted that the Detectives Programme has not performed and delivered the results with respect to convictions of criminals in violent crime. Much more must be done to motivate and train detectives to deliver tangible results and delivery on performance targets.
2. The Committee noted that cybercrime has become a major crime category and steps should be taken to invest resources into reducing the growth in the cybercrime environment.
3. The Committee has noted that all senior employees in Crime Intelligence and other sensitive environments should be vetted as a matter of urgency.
4. The Committee has noted that the VIP protectors section requires close management and support from Divisional Commissioners.
5. The Committee is concerned that the backlogs in the Forensic Sciences Laboratories has grown and continues to increase.

**7. Summary of reporting requests**

**Summary of the Department’s reporting requirements**

**Table 8: Reporting Request**

| **Reporting matter** | **Action required** | **Timeframe** |
| --- | --- | --- |
| **Auditor-General Recommendations** | | |
| The SAPS to provide an Audit Implementation Plan | Report | 1 November 2017 |
| The Department to provide a report on network assets procured by SITA on behalf of SAPS. | Report | 1 November 2017 |
| Actions to mitigate irregular expenditure. | Report | 1 November 2017 |
| Declarations of Interest of all Senior Management Service Employees | Report | 1 November 2017 |
| The SAPS to check procurement database for family to of SAPS officials doing business with SAPS | Report | 1 November 2017 |
| Consequence Management : irregular expenditure | Report | 1 November 2017 |
| Appointment of key senior officials : National Commissioner and other officials | Report | 1 November 2017 |
| Regulation 45 appointments | Report | 1 November 2017 |
| Executive Authority to meet quarterly with all Accounting Officers | Report | 1 November 2017 |
| Pocket books | Report | 1 November 2017 |
| Cluster and station commanders meetings | Report | 1 November 2017 |
| Finalise Crime Intelligence Head appointment | Full Report | 1 November 2017 |
| Trial ready Dockets, Conviction rates | Report | 1 November 2017 |
| Review security at Parliament | Report | 1 November 2017 |
| Compensation Commissioner Injuries on Duty | Report | 1 November 2017 |

**7.1 COMMITTEE Recommendations**

The following budgetary recommendations are made in terms of 2016/17 financial year:

1. The Committee recommends that the Acting National Commissioner and the Chief Financial Officer of the SAPS develop a plan to implement the Auditor-General’s recommendations and report on a quarterly basis with respect to all material findings, and misstatements relating to the Department’s financial statements. The Committee recommends that the SAPS appoint an Audit Tracking Team to respond to manage and prepare a turnaround plan in its financial and performance management section with respect to the qualified audit opinion.
2. The SAPS must provide the names of the members of the Audit Tracking Team to the Portfolio Committee and provide quarterly reports to the Committee to prevent a repeat adverse finding in preparation for the 2018/19 financial year.
3. The Committee recommends that the Executive Authority must ensure that the National Commissioner and/or the Deputy National Commissioners and the Divisional Commissioner for Programme 4, take responsibility for the implementation of the AG’s findings and recommendations.
4. The Committee recommends that the Divisional Commissioners for Programmes 2 and 3 should take responsibility for the performance of the turnaround of their programme performance, and provide reports to the Committee on a quarterly basis.
5. The Committee recommends that the SAPS management undertake a skills audit of the Financial section in terms of tangible financial assets with a view of strengthening the controls and financial monitoring of the section, and provide a report to the Committee.
6. The Committee recommends that the SAPS Audit Committee provide an action plan to deal with the slow response of the SAPS Management to the AG’s recommendations.
7. The Committee recommends that the Executive Authority, in view of the AG findings and recommendations, meet with all Accounting Officers of the Departments and Entity under his auspices on a quarterly basis to identify root causes, implement action plans, and report to the Committee on progress.
8. The Committee recommends that the Department should provide a detailed report on the SITA procurement, including the nature of the assets and costs, of the network assets procured by SITA on behalf of the SAPS. The Department should indicate whether the network assets were procured as part of the CJS Revamp Project.
9. The Committee recommends that the Department provides a monthly report on the Supply Chain Management (SCM) deviations and transgressions and what action steps were taken against officials who fails to comply with SCM policies.
10. The Committee recommends that the Department should indicate the reason for the failure to take effective steps to prevent irregular expenditure amounting to R20.3 million as disclosed in note 24 of the annual financial statements. The Department should indicate what steps will be taken to mitigate against irregular expenditure.
11. The Committee recommends that the SAPS should make available on a yearly basis the list of senior managers who do business with the SAPS. The Declarations of Interest by SAPS senior managers must be made available for scrutiny by the Committee. The Committee recommends that the SAPS put in place steps to prevent conflicts of interests with its members and report on it.
12. The Committee recommends that the SAPS audits all its supplier databases to check if close family members, partners or associates of its members had a private or business interest in contracts awarded by the Department, and if such members failed to disclose such interest, as required by Treasury Regulation 16A8.4.
13. The Committee recommends that the SAPS initiate investigations into the procurement of goods and services above R500 000 without inviting competitive bids before the end of December 2017 and the report should be made available to Committee.
14. The Committee recommends that the SAPS provide a report on why it disciplined some and not all officials who had incurred and/or permitted irregular expenditure; as required by section 38(1)(h)(iii) of the PFMA.
15. The Committee recommends that the Department should provide a comprehensive report on the investigations into irregular expenditure incurred during 2016/17 as well as the previous financial year. The report should clearly indicate the sanctions brought against members responsible for irregular expenditure. The Department should further develop an action plan on steps to prevent irregular expenditure, through a skills audit, training, skills development and consequence management.
16. The Committee recommends that all vacancies, including acting positions, especially those in which the incumbent is on long-standing suspension, should be filled permanently in the next six months. The Department should provide quarterly reports on this to the Committee.
17. The Committee recommends that the Department put action steps in place to address the slow response to the AGSA audit findings, implementing key controls and addressing risk areas especially on performance information.
18. The Department should provide quarterly reports on the consequence management it will take to remedy the poor performance of members at the SMS level.
19. The Committee recommends that the Department put in place measures that will address the misinterpretation of accounting standards which resulted in the uncorrected material misstatement in movable tangible assets and a qualified audit opinion. The Department should indicate the measures that will be taken to clear-up the misunderstanding and should be encouraged to follow the accounting prescripts of Treasury.
20. The Committee recommends that the enhancement of the National Enterprise Risk Management Committee (ERMC) should be welcomed, especially the inclusion of Deputy National Commissioners. The Department should indicate how the Provincial Committees will be capacitated and who will be responsible for the implementation of Station Risk Reponses Plans.
21. The Committee recommends that the members charged with the implementation should be trained in aspects relating to Corporate Governance in order to understand the importance of ERM in the organisation.
22. The Committee recommends that the Department should provide details on the introduction of a stand-alone risk management system, including costing and implementation timeframes.
23. The Committee recommends that the Department should develop a specific system to prevent members from aiding escapees from police custody. The Department should indicate what measures are currently in place to prevent escapes and indicate the number of officials sanctioned for this during the 2016/17 financial year.
24. The Committee recommends that the policy on disclosure of interest that is being developed by the Integrity Management Services, should not only include gifts and donations, but also promotional items, like vehicles from dealerships being driven for publicity.
25. The Committee recommends that the Department should speed up its building programme and account, through a comprehensive report, on the under-performance in the building environment as no new police stations were built in 2016/17.
26. The Committee recommends that the National Commissioner and/or Acting National Commissioners should not make Regulation 45 promotions.
27. The Committee recommends that the Department disaggregate the payment of Civil Claims. The Department should provide details on the cases and whether the claims regarding to the families of Marikana victims will be included in the contingent liabilities of the Department, which is already standing at R5 billion.
28. The Committee recommends that the Department develops an action plan/turnaround strategy to curb the increase of civil claims lodged against the Department.
29. The Committee recommends that the Department address the continued non-compliance to organisational controls by the SAPS Management Interventions section. The Management Interventions section should evaluate the contributing factors to the increase in non-compliance and address the issues. A report should be made available to the Committee in this regard.

1. The Committee recommends that the Department should indicate the nature and status of consequence management in terms of individuals responsible for civil claims lodged against the Department.
2. The Committee recommends that the significant increase in claims against the SAPS by other Departments should be explained in a report to the Committee and action plans for turning it around should be included.
3. The Committee recommends that the SAPS management provide the DPCI with the necessary support to establish the DPCI as a separate Vote. The Acting National Commissioner should support the Acting Head of the DPCI in negotiations with National Treasury in establishing the DPCI as a separate Vote.
4. The Committee recommends that the Executive Authority ensures that all the outstanding DPCI senior management and other outstanding vacancies, including the Head of the DPCI, is filled as a matter of urgency.
5. The Committee recommends that the DPCI report should be included as a separate annexure of the SAPS Annual Report for the 2017/18 Financial Year.
6. The Committee recommends that the DPCI finalise the establishment of the Narcotics and Firearms Units within the next six months. The new units should be operational as a matter of urgency with its staff establishment, structure, reporting lines, resources and budget in place and the Committee should receive a comprehensive report on the matter.
7. The Committee recommends that the Acting National Commissioner and the Acting Head of the DPCI finalise the level 4-5 cases currently in the Detective Services that need to be handed over to the DPCI.
8. The Committee recommends that the DPCI intensify its links with Interpol, training and investigations into cybercrime with a view of building its capacity to handle all forms of cybercrime.
9. The Committee recommends that the Department reviews all firearms protocols for the management of firearms at all police stations, cluster and provincial offices.
10. The Committee recommends that the Department reviews the R-5 and other automatic rifle release and return policies to police officers.

**8. Conclusion**

The Committee will continue to monitor the SAPS with respect to the implementation of all recommendations made by the AG and urges the Department to take its recommendations seriously and implement them without haste.

**Report to be considered.**