



**POISED TO STRIKE**  
*against corruption*

# Annual Report

## 2018/19

Presentation to Parliament

15 October 2019

Presented by Adv. A Mothibi (Head of SIU)

**THIRD  
CONSECUTIVE CLEAN AUDIT**

# SIU 2018/19 ANNUAL REPORT

## PRESENTATION LAYOUT

- **STRATEGIC OVERVIEW**
- **LEGISLATIVE AND OTHER MANDATES**
- **STRATEGIC GOALS AND OBJECTIVES**
- **PERFORMANCE INFORMATION**
- **PROCLAMATIONS**
- **PRESIDENTIAL REPORTS**
- **ONGOING INVESTIGATIONS**
- **SUMMARY OF CIVIL LITIGATION MATTERS**
- **GOVERNANCE**
- **HUMAN CAPITAL MANAGEMENT**
- **REPORT OF THE AUDITOR-GENERAL**
- **FINANCIAL OVERVIEW**

# STRATEGIC OVERVIEW

Vision	The State’s preferred and trusted anti-corruption, forensic investigation and litigation agency		
Mission	With integrity, we investigate serious malpractices or maladministration in the administration of the State as well as any conduct which may seriously harm the interests of the public and of instituting and conducting civil proceedings in any court of law or a Special Tribunal in its own name or on behalf of State institutions.		
Values	Independence	Drive and passion	
	Co-operation	Integrity	Professionalism
	Teamwork	Efficiency	

## LEGISLATIVE AND OTHER MANDATES

### CONSTITUTIONAL MANDATE

The SIU carries its work having due regards to the fundamental rights as contained in the Constitution of the Republic of South Africa. Specifically, SIU takes cognizance on the following sections under the Bill of Rights:

- Section 32 – Access to Information
- Section 33 – Just Administrative Action
- Section 34 – Access to Courts

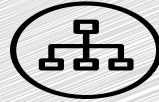
### LEGISLATIVE MANDATE

The work of the SIU is governed by the legislation as set out below:

- Special Investigating Units and Special Tribunals Act, 1996 (Act 74 of 1996)
- Criminal Procedure Act, 51 of 1977 (Act 51 of 1977)
- Prevention and Combatting of Corrupt Activities (Act 12 of 2004)



# LEGISLATIVE AND OTHER MANDATES... continued



## Major Functions

- Investigate corruption, malpractice and maladministration
- Institute civil proceedings



## SIU Powers

- Able to subpoena, search and seize evidence, and interrogate witnesses under oath (once a proclamation has been issued)
- Institute civil litigation to recover state funds lost or to prevent future losses



## Out of SIU Mandate

- Arrest or prosecute offenders
- Implement disciplinary actions
- Works closely with other relevant agencies where its powers fall short

# STRATEGIC GOALS AND OBJECTIVES

STRATEGIC GOALS	STRATEGIC OBJECTIVES
To enable core services to perform optimally	<ul style="list-style-type: none"> <li>• To provide compliant and sustainable financial services in accordance with service delivery standards</li> <li>• To attract a skilled workforce that is managed within a performance driven environment</li> <li>• To provide appropriate ICT services in accordance with set standards</li> <li>• To collaborate with stakeholders in support of enhanced service delivery and core business objectives</li> <li>• To provide support for strategic and organisational performance management</li> <li>• To protect the SIU from potential legal risks</li> <li>• To protect the SIU integrity from internal and external threats</li> <li>• To assess internal controls through internal audits</li> <li>• To enable the unit to become risk intelligent</li> </ul>
To achieve appropriate legal outcomes against perpetrators of maladministration and corruption	<ul style="list-style-type: none"> <li>• To ensure that each case is centrally reported and monitored</li> <li>• To ensure that each allegation is assessed in accordance with standardised criteria</li> <li>• To conduct forensic investigations according to predetermined standards</li> <li>• To initiate the implementation of legal recommendations</li> <li>• To increase legal outcomes based on civil and other proceedings</li> </ul>
To influence proactively the systemic and behavioural root causes of maladministration and corruption	<ul style="list-style-type: none"> <li>• To direct internal and influence external strategic decision-making processes through data analysis</li> <li>• To assist State institutions with the prevention of the re-occurrence of reported cases</li> <li>• To increase public awareness about targeted anti-corruption behaviour</li> </ul>

## PERFORMANCE INFORMATION

### SIU Budget Programme Structure

The SIU budget programme structure comprises three programmes as set below:

- Programme 1: Administration
- Programme 2: Investigation and Legal Counsel
- Programme 3: Market Data Analytics and Prevention



# PERFORMANCE INFORMATION

## Administration

## Programme 1

**Programme 1 comprises the following sub-programmes:**

**Financial Management:** Financial management, asset management, facilities and supply chain management services.

**Human Resources:** Human resource planning and provisioning services

**Information and Communication Technology:** Provision of information communication and technology management services

**Enablement Services:** Stakeholder Management, Strategic Planning, Monitoring and Reporting, Corporate Governance, Corporate Legal and the Office of the HOU services

**Assurance:** Internal Audit, Risk Management and Internal Integrity Services

01



# PERFORMANCE INFORMATION

## Investigation and Legal Counsel

### Programme 2

Programme 2 comprises the following sub-programmes:

- Central Case Registration and Monitoring
- Case Assessment
- Case Management and Investigation
- Forensic Legal and Civil Litigation

02

## Market Data Analytics and Prevention

### Programme 3

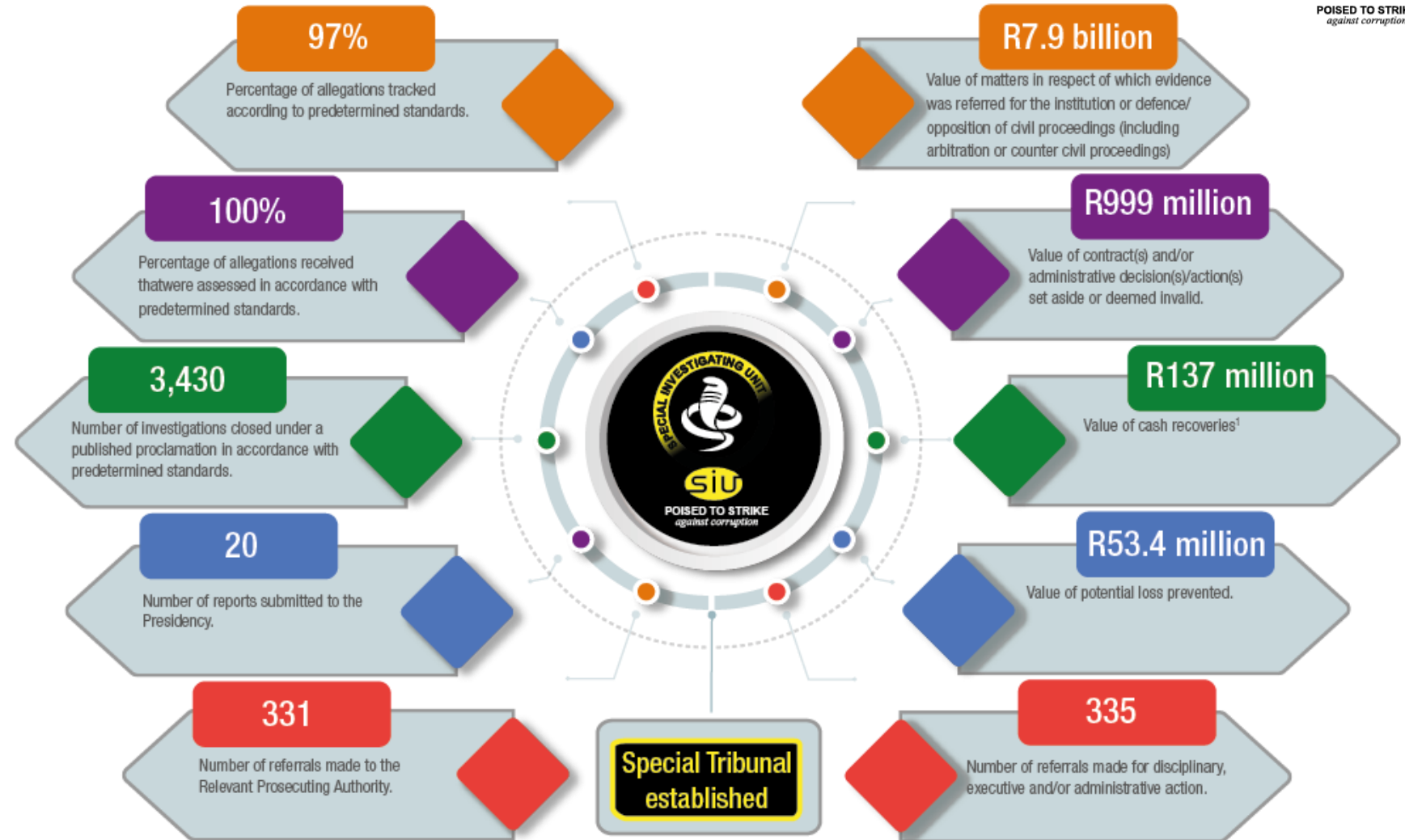
Programme 3 comprises the following sub-programmes:

- Market Data Analytics
- Prevention and Advisory
- Awareness

03

## PERFORMANCE INFORMATION

# SIU PERFORMANCE HIGHLIGHTS



# 2015/16 OPERATIONAL PERFORMANCE

SIU Business Operations Core Mandate Combatting Corruption	
Key Performance Indicator	2015/16 ACTUAL PERFORMANCE
Number of Proclamations Issued	5
Percentage of Issued Proclamations Finalised	0%
Potential Value of Cash and/or Assets Recoverable	73,026,879
Actual Value of Cash and/or Assets Recovered	52,016,396
Number of Civil Matters Instituted in Court or the Special Tribunal	5
Number of Referrals made to the National Prosecuting Authority (NPA)	307
Number of instances where potential disciplinary matters were brought to the attention of the relevant State Institution	68

# YEAR-ON-YEAR OPERATIONAL PERFORMANCE 2016/17 – 2018/19 FY'S

SIU Business Operations			
Core Mandate	ACTUAL PERFORMANCE		
Key Performance Indicator	2016/17	2017/18	2018/19
The percentage of allegations that were electronically tracked according to predetermined standards	-	-	97%
The percentage of centrally registered allegations received that are assessed in accordance with predetermined standards	-	-	100%
The number of investigations closed out under a published proclamation	1,186	1,556	3,430
The number of reports submitted to the Presidency	6	15	20
The number of referrals made to the relevant Prosecuting Authority	108	148	331
The number of referrals made for disciplinary, executive and/or administrative action	137	319	335
The value of potential losses prevented	R106.5m	R407m	R24m
The value of cash recoveries	R170m	R333m	R137
The value of contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid	R4bn	R797m	R999m
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)	R3,8bn	R2.7bn	R7.9bn

**PURPOSE: To ensure the adequate execution of the mandated service delivery of the SIU**



## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To ensure that each case is centrally reported and monitored	1.1 The percentage of allegations that were tracked according to predetermined standards.	-	-	100%	97%	3%	Administrative challenges resulted in the non-achievement of the planned target. However, a number of remedial actions and/or validation mechanisms have been put in place going forward in relation to registration for all allegations received via the various platforms.
To ensure that each allegation is assessed in accordance with standardised criteria	2.1 The percentage of allegations received that are assessed in accordance with predetermined standards.	-	-	100%	100%		

**PURPOSE: To ensure the adequate execution of the mandated service delivery of the SIU**



## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To conduct forensic investigations according to predetermined standards	3.1 Number of investigations closed under a published proclamation in accordance with predetermined standards	1,186	1,556	1,200	3,430	2,230	Proclamation R27 of 2015 (National DPW) finalised more than 2 000 matters in the 2018/19 financial year and the final Presidential reports, due to various reasons, such as matters being realised and finalised earlier
	3.2 Number of reports submitted to the Presidency	6	15	12	20	8	The over-achievement was as a result of addressing the backlog or finalization of outstanding reports in respect of older proclamations, as well as the 2 interim reports for the SABC investigation which was a high priority case

**PURPOSE:** To ensure the adequate execution of the mandated service delivery of the SIU



## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To initiate the implementation of legal recommendations	4.1 Number of referrals made to the Relevant Prosecuting Authority	108	148	75	331	256	Majority of investigations finalised the referrals during the last quarter of the financial year timeously. 95 referrals were made in March 2019 due to various reasons such as matters being realised and finalised earlier or additional evidence resulting in more referrals.
	4.2 Number of referrals made for disciplinary, executive and/or administrative action	137	319	100	335	235	



**PURPOSE: To ensure the adequate execution of the mandated service delivery of the SIU**



## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To increase legal outcomes based on civil and other proceedings	5.1 Value of potential losses prevented	R106.5m	R407m	R24m	R53.4m	R29.4m	The over-achievement was contributed to by the contract to the value of R83m that was set aside in Proc. 19 of 2017: Alfred Nzo municipality which resulted in the prevention of a potential loss of R24m
	5.2 Value of cash recoveries <sup>1</sup>	R170m	R333m	R120m	R137m	R17m	The over-achievement is due to the ability of the DPW Leases team with the support of SIU team obtaining final confirmation of actual monies recovered against overpayments identified

1. In previous financial years' this indicator was split between the value of potential cash to be recovered and the value of actual cash that is recovered.

**PURPOSE:** To ensure the adequate execution of the mandated service delivery of the SIU



## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To increase legal outcomes based on civil and other proceedings	5.3 Value of contract(s) and/or administrative decision(s)/action(s) set aside or deemed invalid	R4bn	R797m	R730m	R999m	R269m	The over-achievement is as the result of Proc. R43 of 2014 amended by Proc. R15 of 2015, in respect of the SITA investigation, wherein civil litigation was instituted in 2016 but the final judgement declaring the contract invalid was only finalized in June 2018

## PROGRAMME 2: PERFORMANCE INFORMATION 2018/19

**PURPOSE:** To ensure the adequate execution of the mandated service delivery of the SIU



Strategic Objective	Performance Indicator	Previous financial years actual Achievement		Financial year under review		Deviation From Planned Target To Actual Achievement	Comments on Deviation
		2016/17	2017/18	Planned Target 2018/19	Actual Achievement 2018/19		
To increase legal outcomes based on civil and other proceedings	5.4 Value of matters in respect of which evidence was referred for the institution or defence/ opposition of civil proceedings (including arbitration or counter civil proceedings)	R3.8bn	R2.7bn	R1.4bn	R7.9bn	R6.5bn	The over-achievement was due to the speedily litigation processes which resulted in the unanticipated figures of R3.7bn from the Eskom case and R2.5bn from the Gauteng provincial DHS and Lepelle Northern Water cases respectively
	5.5 Special Tribunal established and cases enrolled	-	-	Special Tribunal established	Special Tribunal established		

## PROGRAMME 1 ADMINISTRATION: SUMMARY OF PERFORMANCE: 2018/19

**PURPOSE:** Provide business oversight and enablement services to the core functions of the SIU.



- **Invoices paid within 30 days:**

The planned target was not achieved due to technical issues of the newly introduced invoice tracking system. However, this was subsequently addressed in the last two quarters of the financial year.

The organisation achieved its planned target of 59% in terms of reliance on government funding

- **Vacancy Rate**

A 12% vacancy rate was maintained during the 2018/19 financial year.

- **ICT Plan**

The planned targets of implementing the approved ICT plan and complying to agreed service delivery standards were not achieved. The revised 3-year ICT plan and service delivery standards will be approved in the first quarter of the 2019/20 FY

PROGRAMME 1:  
ADMINISTRATION:  
SUMMARY OF  
PERFORMANCE:  
2018/19

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- **Stakeholder Management**

The planned external stakeholder survey was conducted accordingly in order to establish a baseline and gauge the stakeholders' opinions of the SIU in the fight against corruption, and measure satisfaction in relation to SIU systems and processes when conducting investigations.

- **Organisational performance management**

Operational plans at a business unit level were introduced during the 2018/19 financial year and were assessed by the Strategy unit to ensure measurability and alignment to the strategic direction of the organisation. This is also to strengthen accountability and performance management.

PROGRAMME 1:  
ADMINISTRATION:  
SUMMARY OF  
PERFORMANCE:  
2018/19

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- **Internal Integrity:**

All SIU employees submitted their declaration of interest forms which were all assessed accordingly.

The update of the fraud prevention plan was not achieved as the inputs are being incorporated. This will be completed in the second quarter of the 2019/20 FY.

- **Governance**

The planned target of implementing the legal compliance framework was not achieved, however a draft Compliance Framework with an implementation plan was developed and was approved in the second quarter of the 2019/20 FY .

- **Internal Audit**

All the planned audits were conducted in accordance with the approved internal audit plan

- **Risk Management**

The organisation has achieved its planned maturity level of risk management in line with the relevant frameworks for maturity index criteria

## PROGRAMME 3: MARKET DATA ANALYTICS AND PREVENTION: SUMMARY OF PERFORMANCE 2018/19

**PURPOSE:** The implementation of the relevant and proactive initiatives to prevent the reoccurrence of fraud and corruption cases as a result of systematic weaknesses in the public sector and to positively influence the behaviour of South African citizens



- The planned targets of issuing four internal trend analysis report and four external risk assessment and trend analysis reports were achieved. The internal trend reports contribute towards strategic decision-making processes through data analysis, while the external risk trend reports contribute towards assisting State institutions with the prevention of the reoccurrence of reported cases
- The draft National Anti-Corruption Strategy (NACS) was developed and was being refined for finalisation. The final draft was yet to be submitted to the ACTT, as the final approver of the document.
- The Reference Group to assist in the finalisation of the document has been appointed. (This process is mainly driven by the Department of Performance Monitoring and Evaluations)



**PROGRAMME 3:  
MARKET DATA  
ANALYTICS AND  
PREVENTION:  
SUMMARY OF  
PERFORMANCE:  
2018/19**

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**The following planned targets were not achieved**

- One systemic improvement plans developed in conjunction with targeted State institutions
- One targeted awareness campaigns conducted.
- One public perception survey conducted

**The under-achievement was due to the following reasons**

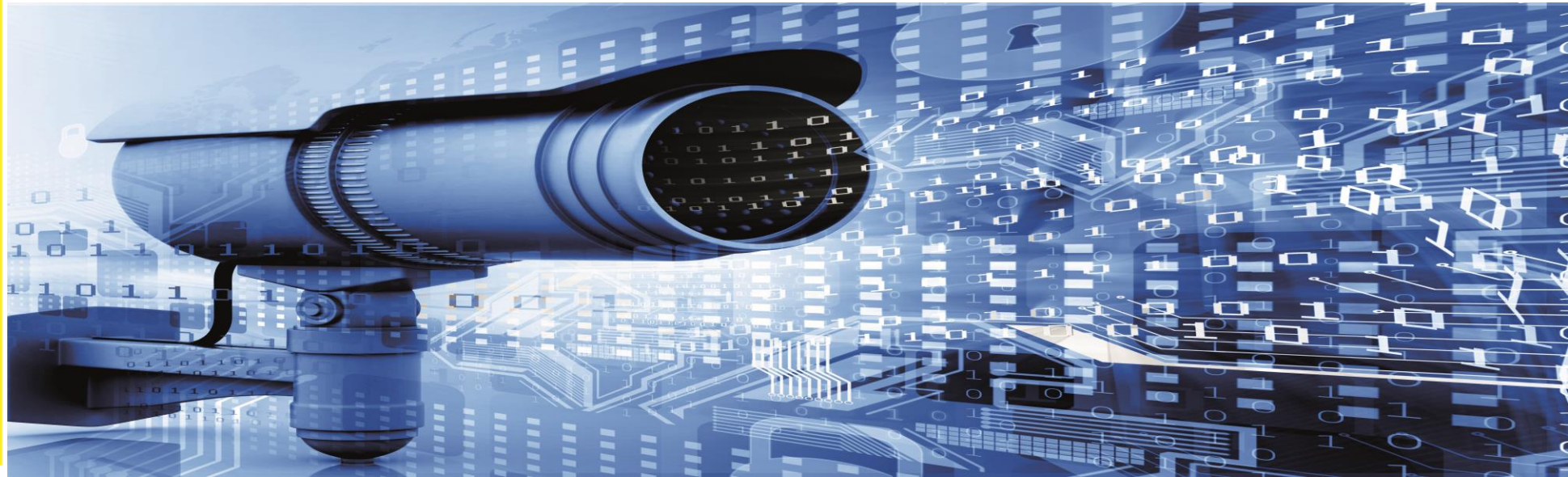
- For the improvement plan and targeted awareness campaign, the non-achievement was due to an ongoing investigation undertaken at the institution that was initially targeted for these interventions, therefore management agreed that the timing will not be opportune for the planned interventions
- For the public perception survey, management took a decision that the perception survey should be conducted by an external party instead of being done internally for objectivity purposes.

**However, corrective actions have been put in place to ensure all these deliverables are achieved in the 2019/20 FY**

**A TOTAL OF 24 PROCLAMATIONS WERE  
ISSUED DURING THE PERIOD UNDER REVIEW.**

**THE PROCLAMATIONS RANGE ACROSS THE  
SPHERES OF GOVERNMENT AND THE STATE  
INSTITUTIONS**

**PROCLAMATIONS**



## PROCLAMATIONS ISSUED IN THE 2018/19 FY

No	Sphere of Government	Department / State Institution	Gazetted Date and No
1.	NATIONAL	Department of Correctional Services	06 April 2018: Nr. 41561
2.		Department of Public Works	13 July 2018: Nr. 41771
3.		Dept. of Justice (Office of the State Attorney)	13 July 2018: Nr. 41771
4.		Department of Water and Sanitation	21 Sept. 2018: Nr. 41915
5.	PROVINCIAL	KZN Dept. of Transport (Alienation of Land)	25 May 2018: Nr. 41650
6.		KZN Dept. of Transport	14 Dec. 2018: Nr. 42101
7.		GP Dept. of Health (Mental health care facilities)	01 Feb 2019: Nr. 42204
8.		EC Institution: Planning Dept and Treasury (Nelson Mandela Funeral)	25 May 2018: Nr. 41650
9.	LOCAL GOVERNMENT	Mbashe Local Municipality	06 Aril 2018: Nr. 41561
10.		Mopani District Municipality	25 May 2018: Nr. 41650
11.		Ekurhuleni Metropolitan Municipality	21 Sept. 2018: Nr. 41915
12.		Ethekwini Metropolitan Municipality	21 Sept. 2018: Nr. 41915

## PROCLAMATIONS ISSUED IN THE 2018/19 FY

No	Sphere of Government	Department / State Institution	Gazetted Date and No
13.	LOCAL GOVERNMENT	Endumeni Local Municipality	14 Dec 2018: Nr. 42101
14.		Moretele Local Municipality	08 Feb. 2018: Nr. 42218
15.		Ekurhuleni Metropolitan Municipality	01 Feb. 2018: Nr. 42204
16.		Mopani District Municipality	29 Mar. 2019: Nr. 42338
17.		City of Johannesburg	29 Mar. 2019: Nr.42338
18.	STATE OWNED ENTITY/ PUBLIC ENTITY	Eskom and Transnet	06 April 2018: Nr. 41561
19.		Roads Agency Limpopo Ltd	20 April. 2018: Nr. 41581
20.		SABC	06 July 2018: Nr. 41754
21.		MICT SETA	25 May 2018: Nr. 41650
22.			21 Sept. 2018: Nr. 41915
23.		Umngeni Water	01 Fe. 2019: Nr. 42204
24.		National Health Laboratory Services	29 Mar. 2019: Nr. 42338



# PRESIDENTIAL REPORTS

Requirement

Law

Agency

Terms  
Conditions

Regulations

Policies

Audit

Guideline

Standard

## PRESIDENTIAL REPORTS

No	Proclamation No	Department / State Institution	Type of Report	Date Report Submitted
1	R20 of 2014	USAASA	Final	8 May 2018
2	R51 of 2014	Vhembe District Municipality	Final	8 May 2018
3	R27 of 2010	SASSA	Final	30 May 2018
4	R20 of 2016	DCS	Final	8 June 2018
5	R38 of 2010	DPW	Final	8 June 2018
6	R27 of 2015	DPW	Interim	20 June 2018
7	R17 of 2016	Eastern Cape Department of Education	Final	20 June 2018
8	R23 of 2017	Life Esidimeni	Interim	20 June 2018
9	R9 of 2017	KZN DOA	Interim	12 July 2018
10	R49 of 2012	DPW KZN	Final	21 September 2018
11	R22 of 2016	Sweetwaters	Final	21 September 2018
12	R29 of 2017	SABC	Interim	21 September 2018
13	R62 of 2010	TMM	Final	17 October 2018
14	R19 of 2016	CIDB	Interim	17 October 2018

## PRESIDENTIAL REPORTS

No	Proclamation No	Department / State Institution	Type of Report	Date Report Submitted
15	R59 of 2016	GSDM and EMLM	Final	17 October 2018
16	R54 of 2012	DWAF	Final	26 October 2018
17	R22 of 2016	Lepelle Northern Water	Interim	31 October 2018
18	R29 of 2017 amended by R19 of 2018	SABC	Interim	30 November 2018
19	R59 of 2014	DPW Leases	Final	14 December 2018
20	R21 of 2016	Msunduzi	Final	29 March 2019



## ONGOING INVESTIGATIONS

## National Proclamations

No	Proclamation No	Department / State Institution	Gazetted Date and No
1	R18 of 2019	National Health Laboratory Service	29/03/2019 No 42338
2	R27 of 2018	National Department of Water and Sanitation	21/09/2018 No 41915
3	R21 of 2018	Department of Justice and Constitutional Development (Office of the State Attorney)	13/07/2018 No 41771
4	R37 of 2017	National DOT	24/11/2017 No 41271
5	R28 of 2017	DCS and IDT	18/08/2017 No 41055
6	R24 of 2017	Department of Rural Development and Land Reform	24/07/2017 No 41000
7	R19 of 2016	CIDB	15/04/2016 No 39935
8	R18 of 2016	DCS	15/04/2016 No 39935
9	R55 of 2014	Department of Labour and the Compensation Fund	1/08/2014 No 37884
10	R54 of 2014 amended by R44 of 2015	DPW Prestige	01/08/2014 No 37884 10/12/2015 No 39488

## ONGOING INVESTIGATIONS

## National Proclamations

No	Proclamation No	Department / State Institution	Gazetted Date and No
11	R7 of 2014 amended by R599 of 2015 amended by R32 of 2017	Gijima and Deeds Office	14/02/2014 No 37346 10/07/2015 No 38985 6/10/2017 No 41165
12	R53 of 2012	Land Restitution	21/09/2012 No 35691
13	R42 of 2010 extended by R73 of 2011	South African Police Service (SAPS)	10/08/2010 No 33451 22/12/2011 No 34896
14	R38 of 2010 extended by R27 of 2015 extended by R20 of 2018	DPW	30/07/2010 No 33425 20/07/2015 No 39005 13/07/2018 No 41771

## ONGOING INVESTIGATIONS

## Provincial Proclamations

No	Proclamation No	Department / State Institution	Gazetted Date and No
1	R4 of 2019	Umgeni Water	01/02/2019 No 42204
2	R36 of 2018	KZN DOT	14/12/2018 No 42101
3	R16 of 2018 amended by R25 of 2018	MICT SETA	25/05/2018 No 41650 21/09/2018 No 41915
4	R14 of 2018	KZN DOT (Land)	25/05/2018 No 41650
5	R12 of 2018	Roads Agency Limpopo Limited	20/04/2018 No 41581
6	R10 of 2018	DCS	06/04/2018 No 41561
7	R5 of 2018	TSC	9/02/2018 No 41433
8	R4 of 2018	AGRISETA	9/02/2018 No 41433
9	R2 of 2018	NW DPW and R&T	19/01/2018 No 41387
10	R35 of 2017	PSETA	10/11/2017 No 41236

## Provincial Proclamations

No	Proclamation No	Department / State Institution	Gazetted Date and No
11	R30 of 2017	KwaZulu-Natal Provincial Treasury	1/09/2017 No 41086
12	R23 of 2017 amended by R6 of 2019	Life Esidimeni	24/07/2017 No 41000 01/02/2019 No 42204
13	R17 of 2017	EC DSD	25/04/2017 No 40810
14	R9 of 2017	KZN DOA	3/02/2017 No 40594
15	R32 of 2016	Independent Development Trust, the Dept of Basic Education and the Dept of Education for the Free State	20/05/2016 No 40004
16	R23 of 2016	KZN DOT	15/04/2016 No 39935
17	R22 of 2016	Lepelle Northern Water	15/04/2016 No 39935

ONGOING  
INVESTIGATIONS

## ONGOING INVESTIGATIONS

## Local Government

No	Proclamation No	Department / State Institution	Gazetted Date and No
1	R17 of 2019	City of Johannesburg	29/03/2019 No 42338
2	R7 of 2019	Moretele Local Municipality	08/02/2019 No 42218
3	R35 of 2018	Endumeni Local Municipality	14/12/2018 No 42101
4	R28 of 2018 amended by R5 of 2019	Ekurhuleni Metropolitan Municipality	21/09/2018 No 41915 01/02/2019 No 42204
5	R26 of 2018	Ethekwini Metropolitan Municipality	21/09/2018 No 41915
6	R13 of 2018	Eastern Cape Institutions (Nelson Mandela Funeral)	25/05/2018 No 41650
7	R9 of 2018	Mbhashe Local Municipality	06/04/2018 No 41561
8	R6 of 2018	Raymond Mhlaba Local Municipality	9/02/2018 No 41433
9	R36 of 2017	ANDM	10/11/2017 No 41236
10	R25 of 2017	Lesedi Local Municipality	24/07/2017 No 41000
11	R19 of 2017	ANDM	25/04/2017 No 40810
12	R18 of 2017	Thabazimbi	25/04/2017 No 40810
13	R10 of 2017	HGDM	3/02/2017 No 40594

## ONGOING INVESTIGATIONS

### Local Government

No	Proclamation No	Department / State Institution	Gazetted Date and No
14	R8 of 2017 amended by R15 of 2018 amended by R16 of 2019	Mopani District Municipality	3/02/2017 No 40594 25/05/2018 No 41650 29/03/2019 No 42338
15	R59 of 2016 amended by R7 of 2018	GSDM and EMLM	14/10/2016 No 40348 9/02/2018 No 41433
16	R21 of 2016	Msunduzi	15/04/2016 No 39935
17	R52 of 2014	Greater Tubatse Local Municipality	1/08/2014 No 37884

### State Owned Entities

No	Proclamation No	Department / State Institution	Gazetted Date and No
1	R11 of 2018	Eskom and Transnet	06/04/2018 No 41561
2	R29 of 2017 amended by R19 of 2018	SABC	1/09/2017 No 41086 06/07/2018 No 41754
3	R53 of 2014 amended by R15 of 2015	SITA	1/08/2014 No 37884 17/03/2015 No 38579

## SUMMARY OF CIVIL LITIGATION MATTERS

Nr	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
1.	DPW (National)	Declaration of invalidity and just and equitable relief	R 155,000,000	11/08/2014	Kwazulu-Natal Division (PMbrg)
2.	NDPW (National)	Declaration of invalidity and just and equitable relief	R 11,679,000	14/09/2014	Kwazulu-Natal Division (Durban)
3.	NDPW (National)	Declaration of invalidity and just and equitable relief	R 1,993,000,000	13/06/2016	North Gauteng Division
4.	NDPW (National)	Claim for damages and enrichment.	R 11,000,000	1/12/2016	North Gauteng Division
5.	NDPW (National)	Action proceedings for recovery of losses	R 12,595,561	08/11/2018	North Gauteng Division
6.	DTPS (National)	Claim lodged with liquidators	**R 25,904,577	20/02/2019	North Gauteng Division
7.	SAPO	Declaration of invalidity and just and equitable relief	R 493,000,000	20/05/16	North Gauteng Division
8.	DCS (National)	Declaration of invalidity and just and equitable relief	R 1,111,200,000	28/03/2018	North Gauteng Division



## SUMMARY OF CIVIL LITIGATION MATTERS

Nr	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
9.	DCS (National)	Declaration of invalidity and just and equitable relief	R 314,109,942	28/03/2018	North Gauteng Division
10.	DRDLR (National)	Action for just equitable relief	R 208,025,175	10/01/2019	North Gauteng Division
11.	DPW (National)	Declaration of invalidity and just and equitable relief	R 9,792,403	16/03/2016	North Gauteng Division
12.	DTPS (National)	Action proceedings for recovery of losses	R 604,549	24/11/2016	North Gauteng Division
13.	DPW (National)	Action proceedings for recovery of losses	R 6,382,128	10/1/2017	North Gauteng Division
14.	DPW (National)	Action proceedings for recovery of losses	R 2,297,838	10/1/2017	Kwazulu-Natal Division (Durban)
15.	National Department: Public Works National Leases	Declaration of invalidity and just and equitable relief	R 609,000,000	16/2/2017	North Gauteng Division
16.	National Department: Public Works - National Leases Silver Moon	Action proceedings for recovery of losses- overpaid rental	R 37,617,938	20/02/2017	Kwazulu-Natal Division (Durban)

## SUMMARY OF CIVIL LITIGATION MATTERS

Nr	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
17.	Midvaal Local Municipality	Action for recovery of losses	R 2,615,000	10/05/2017	North Gauteng Division
18.	National Department: Public Works	Declaration of invalidity and just and equitable relief	R 88,135,609	26/08/2017	Kwazulu-Natal Division (Durban)
19.	National Department: Public Works	To review and set aside the lease in respect of fraud; recover all payment in respect of rental space; recover all payment in respect of rental that was not market related	R 3,544,663	26/09/2018	Kwazulu-Natal Division (Durban)
20.	National Department: Public Works	To review and set aside the lease in respect of fraud; recover all payment in respect of rental space; recover all payment in respect of rental that was not market related	R 5,140,178	25/02/2019	Kwazulu-Natal Division (Durban)
21.	National Department: Public Works	To review and set aside the lease in respect of fraud; recover all payment in respect of rental space; recover all payment in respect of rental that was not market related	R 4,548,793	18/12/2018	Kwazulu-Natal Division (Durban)

## SUMMARY OF CIVIL LITIGATION MATTERS

Nr.	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
22.	National Department: Public Works - National Leases Easy Does It	To review and set aside the lease in respect of fraud; recover all payment in respect of rental space; recover all payment in respect of rental that was not market related	R 8,476,740	18/12/2018	Kwazulu-Natal Division (Durban)
23.	National Department of Public Works Leases.	To review and set aside the lease agreement and recover all rentals; and alternatively recover rental that is not market related.	R 15,907,355	10/04/2019	Kwazulu-Natal Division (PMbrg)
24.	Land Reform (Western Cape)	Review of administrative decision and claim for restitution	R 2,900,000	11/05/2017	Western Cape Division
25.	Land Reform (Western Cape)	Recovery of losses	R 6,300,000	1/06/2017	Western Cape Division
26.	SABC	Action proceedings for recovery of losses	R 21,744,002	5/02/2018	South Gauteng Division
27.	National Department: Water and Sanitation	Action proceedings for recovery of losses	R 95,631,945	6/02/2018	North Gauteng Division

## SUMMARY OF CIVIL LITIGATION MATTERS

Nr.	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
28.	SABC	Declaration of invalidity and just and equitable relief	R 39,380,000	24/04/2018	South Division Gauteng
29	National Department: Public Works	Recovery of losses	R 5,031,839	9/12/2016	Western Division Cape
30.	SABC	Declaration of invalidity and just and equitable relief	R 62,733,557	27/06/2018	South Division Gauteng
31.	SABC	SIU to join proceedings. Declaration of invalidity and just and equitable relief	R 85,087,367	13/06/2019	South Division Gauteng
32.	South African Broadcasting Corporation (SABC):	Declaration of invalidity and just and equitable relief	R 30,219,060	3/05/ 2019	South Division Gauteng
33.	National Department: Public Works	Action proceedings for recovery of losses	R 455,296	1/11/2018	Western Division Cape
34.	Eastern Cape Department: Education	Setting aside the contract and just and equitable relief	R 59,000,000	1/06/2017	Eastern Cape Local Division (EL)

## SUMMARY OF CIVIL LITIGATION MATTERS

Nr.	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted
35.	Amahlathi Municipality	Setting aside the contract and just and equitable relief	R 92,000,000	14/06/2017	Eastern Cape Local Division (EL)
36.	Buffalo City Metropolitan Municipality	Action proceedings for recovery of losses	R 17,000,000	1/06/2018	Eastern Cape Local Division (EL)
37.	Eskom	Setting aside the contract	R 3,700,000,000	1/12/2018	North Gauteng Division
38.	Greater Tubatse Municipality	Declaration of invalidity and just and equitable relief	R 300,000,000	1/10/2017	North Gauteng Division
39.	National Department: Water and Sanitation	Setting aside the contract and just and equitable relief	R 1,200,000,000	1/04/2018	North Gauteng Division
40.	Msunduzi Local Municipality	Declaration of invalidity and just and equitable relief	R 554,000,000	15/03/2018	Kwazulu-Natal Division (PMbrg)
41.	Life Esidimeni	Recovery of over payment	R 663,275	2/05/2018	North Gauteng Division
42.	Life Esidimeni	Recovery of over payment	R 681 11264	23/10/2018	North Gauteng Division

## SUMMARY OF CIVIL LITIGATION MATTERS

	Project Name/Institution	Relief	Value	Date Application or Action was instituted	High Court at legal proceedings was instituted	
43.	SABC	Declaration of invalidity and just and equitable relief	R 9,816,024	16/07/2018	South Division	Gauteng
44.	SABC	Declaration of invalidity and just and equitable relief	R 4,550,000	19/12/2018	South Division	Gauteng
45.	SABC	Claim damages suffered by the SABC	R 20,106,969	22/09/2018	South Division	Gauteng
46.	SABC	Review and setting aside of contract	R 194,350,678	1/10/2017	South Division	Gauteng
47.	Harry Gwala	Recovery of losses	R 2,000,000	19/09/2018	Kwazulu-Natal Division (Durban)	
48.	Lepelle Northern Water	Review and setting aside of contract	R 2,200,000,000	26/11/2018	North Division	Gauteng
49.	Department: Human Settlements	Review and setting aside of contract	R 97,000,000	29/03/2018	North Division	Gauteng
50.	Thabazimbi Local Municipality	Declaration of invalidating and just equitable relief.	R 49,848,921	5/09/2018	North Division	Gauteng
51.	<b>TOTAL VALUE OF CONTRACTS</b>	<b>R13 980 077 494</b>				

*\*\* The initial amount for the value of the contract between DTPS National (nr. 6) and Media Corner was R752m, however Media Corner was subsequently liquidated and a claim of only R25.9m lodged with insolvent estate. The SIU civil litigation records have since been amended with the latter amount instead of the amount of R752m which was the value of the contract declared invalid.*

## UPDATE ON SPECIAL TRIBUNAL

- The SIU Special Tribunal has commenced being functional effective from the 1<sup>st</sup> October 2019, with its seat is at the Booysens Court, Johannesburg South.
- As at the time of this report, the Tribunal President is finalising the Tribunal Rules to be gazetted.
- The Tribunal Interim Secretary has been appointed to enable the Tribunal administration including filing of civil proceedings documents.



# GOVERNANCE



## GOVERNANCE

### PARLIAMENTARY PORTFOLIO COMMITTEES

The SIU has appeared before its respective oversight Portfolio Committee on Justice and Correctional Services, as well as before other Portfolio Committees and SCOPA upon requests received.



Name of Portfolio Committee or Committee		Reason for the appearance	Date of the meeting
Portfolio Committee on Justice and Correctional Services		Presenting the SIU 2018/19 APP and the Budget	25 April 2018
		Presenting the SIU 2017/18 Annual Report	17 October 2018
Other Portfolio Committees/Parliament Committees	Select Committee on Petitions and Executive Undertakings	Briefing on the Transkei Road Transport Corporation Petition	18 April 2018
	NCOP	Briefing on the 2018/19 APP	30 May 2018
	NCOP	IMTT Briefing: Investigations undertaken on the Section 100: North West Province	16 August 2018
	PFC on Water and Sanitation	Briefing on the water and sanitation investigation	17 October 2018
	SCOPA	Briefing on all SIU pending cases	07 November 2018
	SCOPA	Briefing on the challenges facing Department of Water and Sanitation	27 November 2018
	NCOP	IMTT Briefing: Progress on the interventions in the NW Province	06 February 2019

# GOVERNANCE

## INTERNAL COMMITTEES

### Audit Committee

The Audit Committee comprises SIU Executive Committee members and four external members, of which one is the Chairperson of the Committee.

### Risk Committee

The Risk Committee comprises SIU internal members and one external member who is the Chairperson of the Committee.

### HR Committee

The HR Committee comprises SIU internal members and two external members who were co-chairpersons of the Committee.

No	Committee Name	Nr. Of Meetings Held during Period under Review
1	Audit Committee	4
2	Risk Management Committee	3
3	Human Resource Management Committee	5

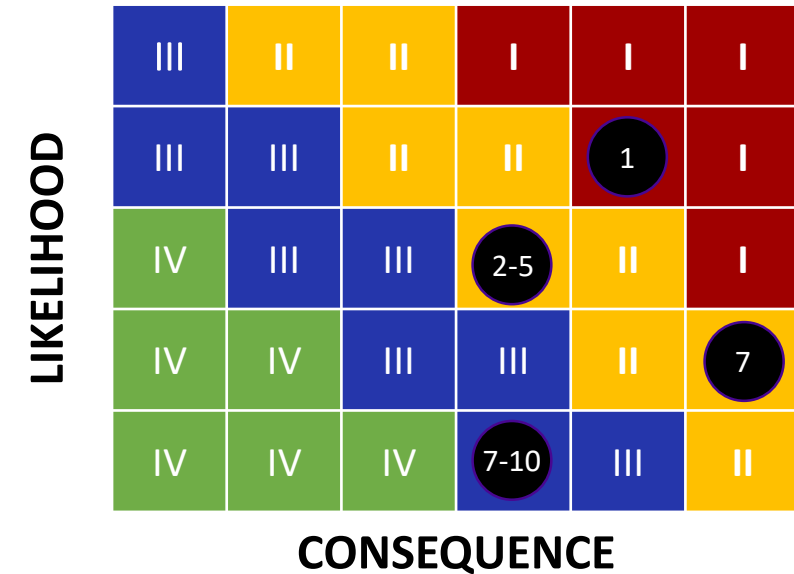
# GOVERNANCE

## TOP RISKS

## STRATEGIC RISK REGISTER: PROGRAMME 1

- Inability to financially sustain SIU operations in the short to medium-term.
- Insufficient preparedness to respond to physical threats to investigators and security breaches.
- Inability to properly manage poor performance.
- Failure to provide appropriate ICT services across SIU business.
- Ineffective collaboration with external and internal stakeholders.
- Failure to implement the revised or new SIU Value Chains.
- Failure to ensure compliance with all regulatory requirements applicable to SIU.
- Failure to provide appropriate monitoring and evaluation services on SIU business performance.

### HEAT MAP



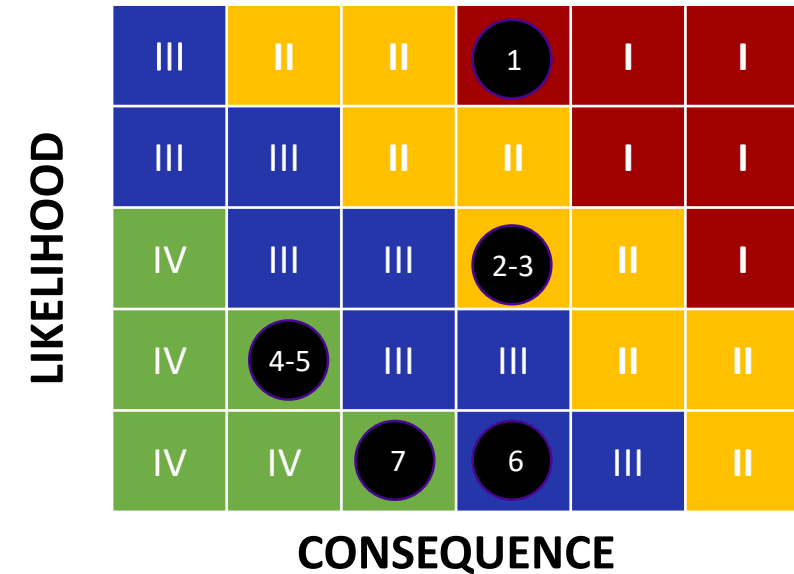
## STRATEGIC RISK REGISTER: PROGRAMME 2

### GOVERNANCE

#### TOP RISKS

- Failure by State institutions to implement SIU legal recommendations.
- Inability to conduct quality forensic investigations.
- Inability to achieve forensic investigation's legal outcomes.
- Failure to register and track all matters according to predetermined standards.
- Failure to properly assess reported cases or allegations of corruption and maladministration.
- Inability to produce quality forensic investigation reports and proclamation motivators.
- Insufficient work for SIU due to protracted engagement process to get proclamations and gazetted.

#### HEAT MAP

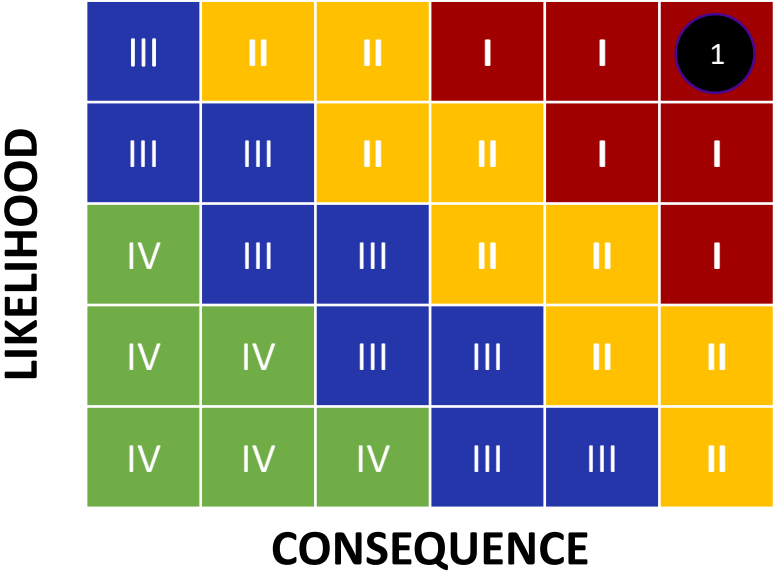


# STRATEGIC RISK REGISTER: PROGRAMME 3

# GOVERNANCE



HEAT MAP





# GOVERNANCE

## FRAUD AND CORRUPTION



The SIU is integral to Government's intention to combat and prevent malpractice, maladministration and corruption. It is therefore of utmost importance that the members of the SIU are not involved in such practices themselves. To this end, the SIU developed an Anti-Corruption strategy and plan to fight any occurrence of this within the SIU. The progress of the implementation of the Anti-Corruption plan is monitored by the Risk Management unit within the SIU. The Risk Management unit is involved in all four areas of the plan, constituting of: Prevention, Detection, Investigation and Resolution.



### Physical and Information Security

Risk Management in partnership with the State Security Agency (SSA) has trained SIU members on the Minimum Information Security Standards (MISS).



# FRAUD AND CORRUPTION (continued)

## GOVERNANCE

### Employee Vetting

- In order to access classified information of SIU's clients, SIU members have to be in possession of a security clearance.
- SSA is responsible for the vetting of SIU members and Risk Management coordinates the administration thereof. SIU service providers are also vetted by SSA.

### Fraud and Ethics risk assessments

- The Risk Management unit facilitates fraud and ethics risk assessments that are aimed at identifying and addressing potential fraud and corruption risks which have an impact on the achievement of the objectives of the Unit.
- These fraud and ethics risk assessments were performed across SIU business units and corrective measures were taken to close the gaps that were identified.

# GOVERNANCE

## WHISTLE-BLOWING

### Whistle-blowing and reporting mechanisms

- The main mechanism available to members of the SIU and the public to report suspected fraud, corruption or maladministration is the whistleblower hotline. This hotline offers a toll-free number 0800 037 774, toll-free facsimile 0800 212 689, SMS number 33490 or email address [siu@whistleblowing.co.za](mailto:siu@whistleblowing.co.za). An independent company, which does not record telephone calls, track caller identity, trace electronic communications, or otherwise attempt to determine the caller's identity operates this SIU whistleblower hotline. The report is anonymous, even if the caller is willing to make his/her identity available. The SIU whistleblower hotline is available 24 hours a day, seven days a week. Services are offered in the 11 official languages.
- Members can also report suspected wrongdoing to Risk Management, HR or their line managers.

## GOVERNANCE

### MINIMISING CONFLICT OF INTEREST

In minimising conflict of interest, the following internal measures are put in place:

- Members are expected to exercise good judgement and highest ethical standards in their activities on behalf of the Unit and be mindful of their activities outside the Unit;
- Members are required to complete a gift register where all gifts received in the work environment are declared. Their managers have to co-sign the register to ensure oversight. The receiving of gifts is discouraged and it should always be considered
  - whether it might cause a potential conflict of interest;
  - All members are expected to annually declare their assets and interests. In the year under review, 532 employees were expected to submit their declarations. The return rate was 100%;
  - Members are also required to apply for permission for outside remuneration which may or may not be approved by the HoU. During the year under review a total of 30 applications were submitted and approved.

# INTERNAL AUDIT REPORT 2018/19

## GOVERNANCE

### Introduction

- The SIU had a Co-sourced Internal Audit Function lead by the Head Audit and Risk during the 2018/19 financial year.

### Roles and Responsibilities

- Internal Audit fulfilled all the functions and discharged its responsibilities as prescribed in the Public Finance Management Act, No 1 of 1999; King VI and the approved Internal Audit Charter.
- It functionally reported to the Audit Committee and administratively to the Head of the Unit.

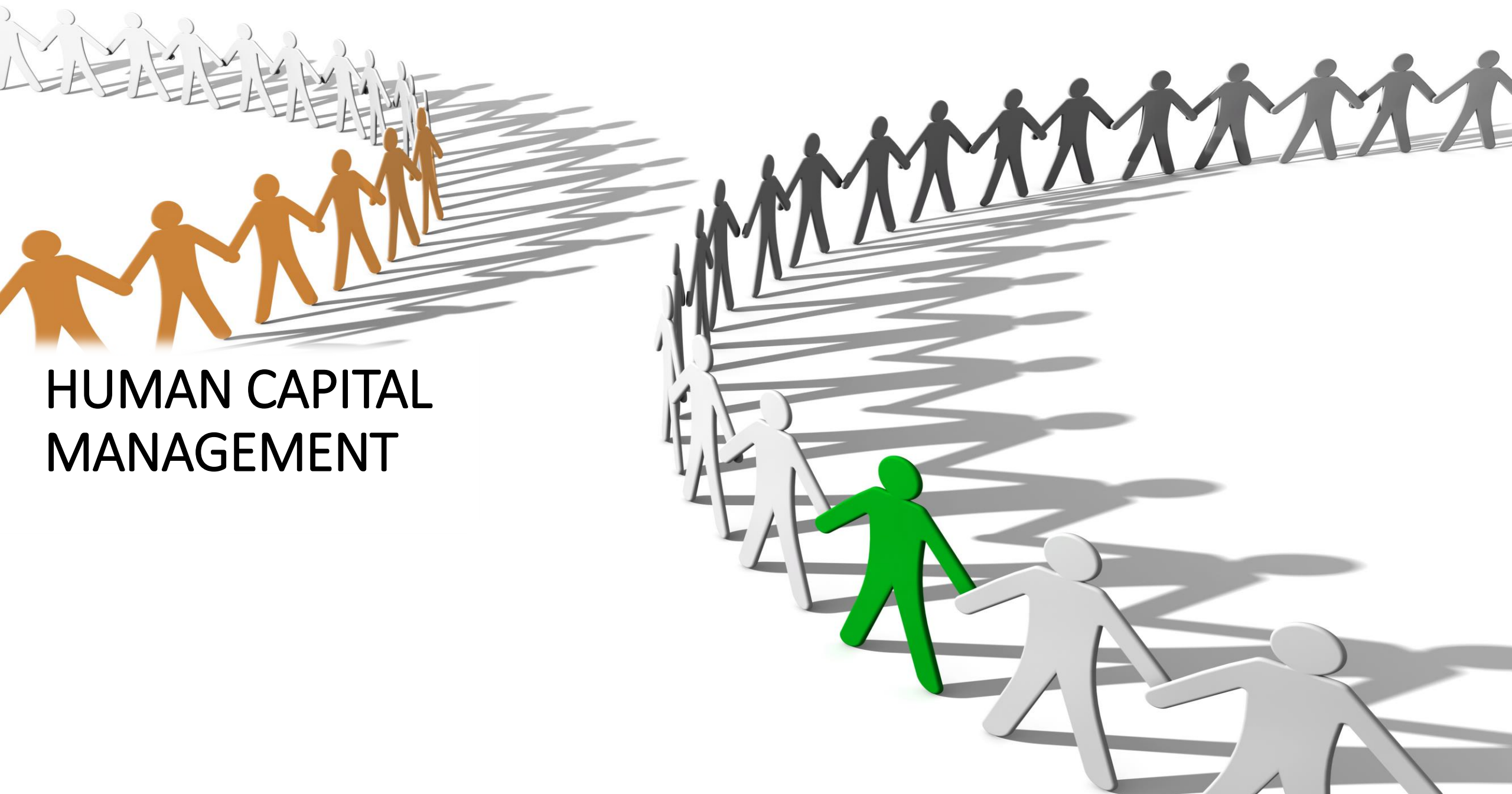
### Conclusion

- Based on the audits completed within the financial 2018/19, the overall conclusion on the status of internal controls to mitigate risks is that controls are adequate but some were not wholly effective (partially effective) in achieving their purpose and ensuring that the Unit's objectives were achieved.

## 2018/19 Audit Plan

# GOVERNANCE

- |                                   |                                  |  |
|-----------------------------------|----------------------------------|--|
| <b>1</b> Supply Chain Management  | <b>2</b> Performance Information | <b>3</b> Travel Management                     |
| <b>4</b> Training and Development | <b>5</b> Recruitment management  | <b>6</b> Leave Management                      |
| <b>7</b> Referral Process Review  | <b>8</b> Assets management       | <b>9</b> Performance Management Systems review |



# HUMAN CAPITAL MANAGEMENT

# HUMAN CAPITAL MANAGEMENT

## INTRODUCTION

Our Human Capital vision is important in building better SIU's working partnerships to create an environment where people can thrive and are enabled to deliver sustainable organisational performance. To achieve the SIU's strategic goal, the organisation embarked on re-organisation 'Project Siyakha', which led to reviewing of structure and re-designing of job profiles.

Our human resources initiatives focused on four underlying goals:

- Organisational re-organisation
- Entrenching organisational culture
- Attracting and retaining employees with high potential
- Developing employees to meet operational skills requirements and improve efficiency
- Maintaining and enhancing effective employee performance
- Promoting a fair and equitable working environment



# HUMAN CAPITAL MANAGEMENT

## OUR APPROACH

- a) Our employment policies and practices take into account and comply with the Labour Legislation in South Africa. Our recruitment initiatives especially on internal appointments were aligned to a special dispensation as agreed with Labour through a Collective Agreement.
- b) A review of our policies and procedures is ongoing, including remuneration and performance management framework.
- c) Ongoing engagements with Labour are necessary to understand, manage and respond to Labour needs and expectations.

## PROJECT SIYAKHA

- Project Siyakha, an organisational review project, that kicked off in the previous financial year remained the key focus area for the organisation and Human Capital division.
- The key deliverables that were approved during the year included:
  - a) The SIU organisational structure;
  - b) The new value chain;
  - c) Job profiles and
  - d) Job grades.

# HUMAN CAPITAL MANAGEMENT

A task team made up of management and union representatives was tasked to propose placement of staff from the old to the new organisational structure using placement principles that were developed through the leadership of consultants who assisted the organisation.

This exercise culminated in the issuing of individual placement letters that confirmed the placement of employees into the new organisational structure effect 1 April 2019.

Consultations with Labour on the Remuneration strategy and policy is in progress and it is envisaged that it will be concluded in the coming financial year.

## KEY ACHIEVEMENTS:

### STAFFING

**At the end of the Financial Year 2018/19, our staff complement totalled 532, of which 513 (97%) were permanent and 19 (3%) are fixed term as compared to 2017/18 with 516.**

**The proposition on Women employed at Senior and Top Management is now 24, which represent 7% of the total Management workforce.**

**The Executive and Top Management vacancies were 100% filled in the year 2018/19.**

## TRAINING & DEVELOPMENT

# HUMAN CAPITAL MANAGEMENT

### Bursaries

A total of 111 SIU members have been awarded bursaries at an actual cost of R1 070 380.18 for the period under review.

### FFRP

To equip investigators with skills that enable them to face a complex digital environment and manage digital evidence, a Cyber Forensics First Responder Program was rolled out to 254 SIU members in the core function.

### FFI Internship Programme

### E-Moodle

SIU has successfully launched e-learning (moodle) as a platform for training programs across the board. A total of 9 SIU members have been trained as e-designers to design and develop programs on this e-learning platform.

# HUMAN CAPITAL MANAGEMENT

## EMPLOYEE WELLNESS AND OHS

- Various Wellness Programs have been rolled out to the organisation which in the main include, but are not limited to; Health Risk Assessments, Breast Cancer Awareness and Drug Awareness.
- The Occupational Health and Safety Audit that took place during the year under review has indicated that SIU is 71% compliant, which is 14% above the average of external Safety, Health, Environment and Quality (SHEQ).

# HUMAN CAPITAL MANAGEMENT

## HUMAN CAPITAL OVERSIGHT STATISTICS

### Personnel related expenditure

#### Personnel expenditure by category

Category	No. of employees	Personnel Expenditure (R'000)	Personnel exp. as a % of total personnel exp.	Average personnel cost per employee (R'000)
Management	26	29 743	7.60%	1 144
Operations	412	319 215	81.40%	775
Support	94	43 410	11%	462
<b>Total</b>	<b>532</b>	<b>392 368</b>	<b>100%</b>	<b>738</b>

#### Personnel costs by occupational level

Occupational Level	Personnel Expenditure (R'000)	Personnel exp. as a % of total personnel exp.	No. of employees	Average personnel cost per employee (R'000)
Top Management	30 951	7.9%	12	2579
Senior Management	22 511	5.7%	25	900
Professional qualified	183 617	46.8%	170	1080
Skilled	118 862	30.3%	191	622
Semi-skilled	34 734	8.9%	124	280
Unskilled	1 693	0.4%	10	169
<b>TOTAL</b>	<b>392 368</b>	<b>100%</b>	<b>532</b>	<b>738</b>

The total head count as at March 2019 was 532, which 254 being (48%) were females, and 278 (53%) are males. This includes permanent, contract and employees on disability leave

# HUMAN CAPITAL MANAGEMENT

## Employment and Vacancies

### Employment and vacancies by Programme as at 31 March 2019

Programme	2018/2019 Approved Posts	No. of Employees 2018/2019	2018/2019 Vacancies	% of vacancies
Operations	496	441	55	11%
Administration	108	91	16	15%
<b>TOTAL</b>	<b>603</b>	<b>532</b>	<b>71</b>	<b>12%</b>

Note: The number of approved posts is as per the MTEF

### Employment and vacancies by occupational levels as at 31 March 2019

SALARY BAND	2018/2019 Approved Posts	No. of Employees 2018/2019	2018/2019 Vacancies	% of vacancies
Top Management	8	1	7	88%
Senior Management	54	34	20	37%
Professional qualified	187	169	18	10%
Skilled	219	193	26	12%
Semi-skilled	125	125	0	0%
Unskilled	10	10	0	0%
<b>TOTAL</b>	<b>603</b>	<b>532</b>	<b>71</b>	<b>12%</b>

The number of approved posts is as per the MTEF. In the financial year under review, 603 headcount was approved, however due to re-organisation process, Siyakha Process, not all positions were filled

# HUMAN CAPITAL MANAGEMENT

## Employment Changes

### Annual turnover rates by occupational level

Salary Band	Employment at beginning of period	Internal Staff Movements	Appointments	Terminations
Top Management	1	+8	4	1
Senior Management	33	-8	1	1
Professional qualified	171	-1	2	2
Skilled	174	+1	20	4
Semi-skilled	126	0	1	3
Unskilled	11	0	0	1
<b>TOTAL</b>	<b>516</b>		<b>28</b>	<b>12</b>

### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	8%
Resignation	7	58%
Dismissal	0	0%
Retirement	2	17%
Ill health	0	0%
Expiry of contract	1	8%
Retrenched	1	8%
<b>Total</b>	<b>12</b>	<b>100%</b>

The total attrition of employees during the year under review is 8% as compared to 3% the previous financial year.



# HUMAN CAPITAL MANAGEMENT

## Employment Equity

Total number of employees (including employees with disabilities) in each of the following occupational levels as at 31 March 2019

Levels	Male									
	African		Coloured		Indian		White		Total	
	Current	As % of Total	Current	As % of Total	Current	As % of Total	Current	As % of Total	Current	As % of Total
Top Management	4	1%	1	0%	1	0%	1	0%	7	3%
Senior Management	5	2%	1	0%	1	0%	9	3%	16	6%
Professional qualified	49	18%	14	5%	16	6%	37	14%	116	43%
Skilled	81	30%	7	3%	11	4%	4	2%	103	38%
Semi-skilled	26	9%	0	0%	0	0%	3	1%	29	10%
Unskilled	0	0%	0	0%	0	0%	0	0%	0	0%
<b>TOTAL</b>	<b>165</b>	<b>60%</b>	<b>23</b>	<b>8%</b>	<b>29</b>	<b>11%</b>	<b>54</b>	<b>21%</b>	<b>271</b>	<b>100%</b>

## Employment Equity cont...

Total number of employees (including employees with disabilities) in each of the following occupational levels as at 31 March 2019

## HUMAN CAPITAL MANAGEMENT

Levels	Female									
	African		Coloured		Indian		White		Total	
	Current	As % of Total	Current	As % of Total	Current	As % of Total	Current	As % of Total	Current	As % of Total
Top Management	4	2%	0	0%	0	0%	0	0%	4	2%
Senior Management	4	2%	1	0%	2	1%	3	1%	10	4%
Professional qualified	21	8%	2	1%	4	2%	26	10%	53	20%
Skilled	46	18%	5	2%	12	5%	25	10%	88	34%
Semi-skilled	77	30%	4	2%	7	3%	8	3%	96	37%
Unskilled	10	4%	0	0%	0	0%	0	0%	10	4%
<b>TOTAL</b>	<b>162</b>	<b>62%</b>	<b>12</b>	<b>5%</b>	<b>25</b>	<b>10%</b>	<b>62</b>	<b>24%</b>	<b>261</b>	<b>100%</b>

Africans hold a majority count in the SIU at an overall 61%. , however remain under-represented as per EAP standards, especially at Senior Management category. Majority of females are at skilled technical (C-Upper Grade) and below, while higher numbers of males are at professionally qualified and above (management & above). Females are predominantly occupying Administrative positions.

# HUMAN CAPITAL MANAGEMENT

## Performance Rewards

### Performance Rewards by occupational level

Salary band	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	1 325	30 951	4.28%
Senior Management	2 480	22 511	11.02%
Professional qualified	19 786	183 617	10.78%
Skilled	7 421	118 862	6.24%
Semi-skilled	2 939	34 734	8.46%
Unskilled	232	1 693	13.70%
<b>TOTAL</b>	<b>34 183</b>	<b>392 368</b>	<b>8.71%</b>

During the year under review, the total payroll cost was R392 368m. This figure includes the Cost of Living increases and the bonuses paid and remained within budget.

# HUMAN CAPITAL MANAGEMENT

## Labour Relations

### Misconduct and disciplinary hearings finalised

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	1
Dismissal	0
Total	3

Outcomes of disciplinary hearings	Number	% of total
Verbal warning	0	
Written warning	2	40%
Final written warning	1	20%
Retrenchment	1	20%
Not guilty	0	
Case withdrawn	1	20%
Total	5	100%

# HUMAN CAPITAL MANAGEMENT

## Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Dishonesty and unauthorised absence from workplace while on duty	0	
Absence from work without approval by line manager	0	
Total	0	

## Grievances lodged

Grievances	Number	% of total
Number of grievances resolved	2	22%
Number of grievances not resolved	7	78%
Total number of grievances lodged	9	100%

## Disputes logged with CCMA

Disputes	Number	% of total
Total number of disputes lodged that are ongoing	9	100%
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%

# HUMAN CAPITAL MANAGEMENT

## Skills development

### Training Costs

Occupational level	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee (R'000)
Top Management	30,951	R 96	0.31%	9	R 11
Senior Management	22,511	R 233	1.04%	35	R 7
Professional Qualified	183,617	R 269	0.15%	26	R 10
Skilled	118,862	R 513	0.43%	156	R 3
Semi-skilled	34,734	R 418	1.20%	80	R 5
Unskilled	1,693	R 0.00	0.00%	0	R 0
<b>TOTAL</b>	<b>R 392,368</b>	<b>R 1,530</b>	<b>0.39%</b>	<b>306</b>	<b>R 5</b>

SIU is committed to the development of its own employees and offers bursaries on a yearly basis which are regulated by a Bursary Policy. In each year, Training needs are obtained from business Unit, aligned to their operational needs. During the year under review, 306 employees were trained, which resulted in R1,5m being being 0,39% of total payroll

# HUMAN CAPITAL MANAGEMENT

## Training needs identified for the period

Occupational Level	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Skills Programmes	Other short course	Other forms of training	Total
Top Management	Female	0	0	0	0	0
	Male	1	0	1	0	1
Senior Management	Female	11	8	0	3	11
	Male	22	17	2	3	22
Professional Qualified	Female	53	31	8	9	48
	Male	117	95	8	14	117
Skilled	Female	79	34	9	21	64
	Male	96	54	20	18	92
Semi-skilled	Female	96	0	16	28	44
	Male	30	0	1	3	4
Unskilled	Female	11	0	0	2	2
	Male	0	0	0	0	0
Sub Total	Female	250	73	33	63	169
	Male	266	166	32	38	236
Total		516	239	65	101	405

A total of 405 needs analysis forms were submitted by business, which led to 239 Skills Programmes identified and implemented.





# HUMAN CAPITAL MANAGEMENT

## Training provided for the period

Occupational Level	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Skills Programmes	Other short course	Other forms of training	Total
Top Management	Female	5	1	1	1	3
	Male	8	3	1	2	6
Senior Management	Female	10	4	5	1	10
	Male	21	10	12	3	25
Professional Qualified	Female	43	1	1	6	8
	Male	107	1	4	13	18
Skilled	Female	156	15	43	10	68
	Male	128	18	47	23	88
Semi-skilled	Female	38	16	26	24	66
	Male	8	5	6	3	14
Unskilled	Female	8	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	257				
	Male	269				
Total		532	74	146	86	306

Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	5	100%

During the period under review, a total of 5 incidences were reported

**FINANCIAL OVERVIEW**

# REPORT OF THE AUDITOR- GENERAL

## The Audit Opinion

- SIU received a clean, unqualified audit report for the 2018/19 financial year by the Auditor General
  - Audit opinion: *"In my opinion, the financial statements present fairly, in all material respects, the financial position of the SIU as at 31 March 2019, and its financial performance and cash flows for the year then ended..."*
  - Performance information: *"I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives..."*
  - Compliance to legislation: *"I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the Public Audit Act."*

## Year On Year Audit Opinion

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Type of Opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified, Clean	Unqualified, Clean	Unqualified, Clean
No. of emphas is of matter	1	1	1	0	0	0	0

### Clean Audit Report for the 2018/19 Financial Year.

The SIU has developed an action plan to clear the audit findings as raised by the Auditor General during the audit and is currently progressing positively against the end of financial year deadline.

# REPORT OF THE AUDITOR-GENERAL

# STATEMENT OF FINANCIAL POSITION as at 31 March, 2019

	NOTE(S)	2019 R	2018 R
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Receivables from exchange transactions	6	65,811,681	58,885,074
Bank balance - Recoveries	10	36,386,648	32,652,455
Cash and cash equivalents	7	554,423,539	513,987,790
		<b>656,621,868</b>	<b>605,525,319</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	39,827,496	42,534,909
Intangible assets	4	3,025,999	2,741,007
		<b>42,853,495</b>	<b>45,275,916</b>
<b>Total Assets</b>		<b>699,475,363</b>	<b>650,801,235</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other financial liabilities	8	502,888	545,538
Operating lease liability	5	2,488,164	1,345,079
Payables from exchange transactions	11	43,278,783	36,410,507
Provisions	9	42,110,363	33,352,314
Payables - Recoveries	10	36,386,648	32,652,455
		<b>124,766,846</b>	<b>104,305,893</b>
<b>Total Liabilities</b>		<b>124,766,846</b>	<b>104,305,893</b>
<b>Net Assets</b>		<b>574,708,517</b>	<b>546,495,342</b>
<b>Accumulated surplus</b>		<b>574,708,517</b>	<b>546,495,342</b>



# STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March, 2019

	NOTE(S)	2019 R	2018 R
<b>REVENUE</b>			
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Rendering of services	12	255,366,403	285,814,803
Interest received	12	29,437,743	16,870,377
Other income	14	-	13,118
<b>Total revenue from exchange transactions</b>		<b>284,804,146</b>	<b>302,698,298</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	12	357,099,000	346,177,000
CARA funds	15	178,164	3,323,334
Rental of premises paid on behalf of the SIU	12	6,016,385	5,647,916
<b>Total revenue from non-exchange transactions</b>		<b>363,293,549</b>	<b>355,148,250</b>
<b>Total revenue</b>	12	<b>648,097,695</b>	<b>657,846,548</b>
<b>EXPENDITURE</b>			
Employee related costs	16	(399,606,035)	(362,085,226)
Depreciation and amortisation	3&4	(7,315,787)	(6,964,126)
Debt impairment	17	(89,541,548)	(51,417,334)
Operating lease expenses	13	(38,460,886)	(36,173,079)
Professional Services	18	(818,672)	(535,374)
Loss on disposal of assets	19	(190,167)	(20,545)
General Expenses	20	(83,951,428)	(79,714,024)
<b>Total expenditure</b>		<b>(619,884,523)</b>	<b>(536,909,708)</b>
<b>Surplus for the year</b>		<b>28,213,172</b>	<b>120,936,840</b>



# STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March, 2019

	ACCUMULATED SURPLUS R	TOTAL NET ASSETS R
Balance at 1 April, 2017	425,558,502	425,558,502
<i>Changes in net assets</i>		
Surplus for the year	120,936,840	120,936,840
Total changes	120,936,840	120,936,840
Balance at 1 April, 2018	546,495,345	546,495,345
<i>Changes in net assets</i>		
Surplus for the year	28,213,172	28,213,172
Total changes	28,213,172	28,213,172
Balance at 31 March, 2019	574,708,517	574,708,517

# CASH FLOW STATEMENT for the year ended 31 March, 2019

	NOTE(S)	2019 R	2018 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Services rendered		160,070,477	310,406,073
Grants		357,099,000	346,177,000
Interest received		29,437,743	16,870,377
Other income		-	13,118
		<b>546,607,220</b>	<b>673,466,568</b>
<b>PAYMENTS</b>			
Employee related costs		(390,847,987)	(362,787,933)
Service providers		(109,424,097)	(85,711,845)
		<b>(500,272,084)</b>	<b>(448,499,778)</b>
<b>Net cash flows from operating activities</b>	<b>22</b>	<b>46,335,136</b>	<b>224,966,790</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(6,362,926)	(4,388,326)
Proceeds from insurance claims	3	913,980	388,776
Purchase of other intangible assets	4	(450,441)	(784)
<b>Net cash flows from investing activities</b>		<b>(5,899,387)</b>	<b>(4,000,334)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>40,435,749</b>	<b>220,966,456</b>
Cash and cash equivalents at the beginning of the year		513,987,790	293,021,334
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>554,423,539</b>	<b>513,987,790</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS for the year ended 31 March, 2019

	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	REFERENCE
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>						
<b>REVENUE</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	244,195,000	27,114,000	271,309,000	255,366,403	(15,942,597)	31.1
Interest received	17,791,000	9,739,000	27,530,000	29,437,743	1,907,743	31.2
<b>Total revenue from exchange transactions</b>	<b>261,986,000</b>	<b>36,853,000</b>	<b>298,839,000</b>	<b>284,804,146</b>	<b>(14,034,854)</b>	
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	357,099,000	-	357,099,000	357,099,000	-	
CARA funds	-	-	-	178,164	178,164	
Rental of premises paid on behalf of the SIU	5,801,000	-	5,801,000	6,016,385	215,385	
<b>Total revenue from non-exchange transactions</b>	<b>362,900,000</b>	<b>-</b>	<b>362,900,000</b>	<b>363,293,549</b>	<b>393,549</b>	
<b>Total revenue</b>	<b>624,886,000</b>	<b>36,853,000</b>	<b>661,739,000</b>	<b>648,097,695</b>	<b>(13,641,305)</b>	
<b>EXPENDITURE</b>						
Employee related costs	(458,748,000)	7,617,442	(451,130,558)	(399,606,035)	51,524,523	31.3
Depreciation and amortisation	(7,382,000)	(1,493,030)	(8,875,030)	(7,315,787)	1,559,243	
Debt impairment	(53,908,882)	(23,465,499)	(77,374,381)	(89,541,548)	(12,167,167)	31.4
Lease rentals on operating lease	(37,651,714)	-	(37,651,714)	(38,460,886)	(809,172)	
Professional services	(468,816)	(512,301)	(981,117)	(818,672)	162,445	
Loss on disposal of assets	-	-	-	(190,167)	(190,167)	
General Expenses	(66,726,588)	(18,999,612)	(85,726,200)	(83,951,428)	1,774,772	31.5
<b>Total expenditure</b>	<b>(624,886,000)</b>	<b>(36,853,000)</b>	<b>(661,739,000)</b>	<b>(619,884,523)</b>	<b>41,854,477</b>	
<b>Surplus before taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,213,172</b>	<b>28,213,172</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>						
	-	-	-	28,213,172	28,213,172	

# CORRUPTION PREVENTION MEASURES

SIU as the Convener of Programme 4 has identified vulnerable sectors to fraud and corruption through collaboration with other ACTT stakeholders, informed by AG and SCOPA reports.



## Vulnerable Sectors to incidents of fraud and corruption

1) Health

6) Energy (e.g IPP)

11) Education

2) Construction

7) Mining

12) ICT

3) SOEs

8) Water

13) SMMEs

4) Finance

9) Transport

14) Border Mngt

5) Local Government

10) Real Estate

15) Defense/Armaments

Completed  
Project

Current  
Project

Next  
Project

Additional  
Information

## ADDITIONAL INFORMATION

# UPDATE ON THE ESTABLISHMENT OF HEALTH SECTOR ANTI-CORRUPTION FORUM



- The Health Sector Anti-Corruption Forum (HSACF) is an outcome of the Presidential Health Summit, it was established to combat, prevent and refer allegations and matters reported from the health Sector for investigation.
- In its operations the HSACF is supported by the Special Investigating Unit (SIU) and Anti-Corruption Task Team (ACTT).
- The HSACF was successfully launched by the Hon President Ramaphosa on the 01 October 2019 at the Union Buildings
- Terms of Agreement (TOR) were successfully publicly signed by the members of the HSACF
- HSACF was well welcomed by all role players, community and the civil society at large
- The HSACF is supported by the steering committee that seats regularly to assess the reported cases while the HSACF will seat on quarterly basis as per its terms of reference.

# THANK YOU



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