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**SOUTH AFRICAN POLICE SERVICE (SAPS)
FOURTH QUARTER EXPENDITURE AND PERFORMANCE FOR 2019/20**

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1. INTRODUCTION

The continuous monitoring of expenditure is necessary to ensure that allocated resources are utilised for their intended purposes and in so doing, accountability is ensured. It promotes transparency and effective control of a department's financial matters. The process is also critical in determining possible budget overruns emanating from cost increases due to inadequate project cost analysis and to timeously intervene to facilitate corrective measures. Apart from assisting in minimising over/under-spending by departments, expenditure monitoring is also necessary to prevent unauthorised, irregular, fruitless and wasteful expenditure.

This paper provides a summary of departmental expenditure as at the end of the fourth quarter of the 2019/20 financial year. The paper concludes with key concerns for consideration of the Portfolio Committee on Police during the upcoming engagement scheduled for 06 October 2020.

2. OVERALL EXPENDITURE 2019/20

Note: *The financial results of the Department are preliminary and unaudited. This is due to the extension given to the Auditor General to complete audits and for departments to table Annual Reports.*

According to National Treasury, the Department had spent R96.1 billion or 99.2 per cent of its Adjusted Appropriation budget of R96.8 billion at the end of the 2019/20 financial year, thus recording preliminary underspending of R754 million. The Department recorded preliminary underspending in the following Programmes:

- Administration (R374 million)
- Visible Policing (R52.2 million)
- Detective Services (R333.8 million)
- Crime Intelligence (R1.3 million). *National Treasury reported a slight underspending, but the Department reported a net overspending of R63.1 million.*



The *Protection and Security Services* programme recorded preliminary overspending of R7.2 million or 7.31%.

Spending on the Criminal Justice System (SJS) Revamp was lower than planned. According to the Department, this was because National Treasury lifted the conditions halfway through the financial year. The Department did not spend R479.7 million of the available funds.

At economic classification level, the Department recorded preliminary overspending of R1.7 million on *transfers and subsidies*, mainly on transfers to *Departmental Agencies and Accounts* (non-business entities), which was offset by preliminary underspending recorded on *current payments* (R268.2 million), mainly on *goods and services* (R268.1 million), as well as on *payments for capital assets* (R487.6 million).

The underspending on *payments for capital assets* was mainly recorded on:

- *Machinery and equipment* (R444 million), mostly against funds appropriated for the implementation of the **criminal justice system 7-point plan**; and
- *Buildings and other fixed structures* (R36.6 million), mainly against funds allocated for projects that are implemented by the Department of Public Works and Infrastructure (DPW) on behalf of the Department. According to the Department, the preliminary underspending on *buildings and other fixed structures* was due to challenges experienced by DPW with contractors in the construction environment such as, project delivery milestones were not met and some projects had to be cancelled and postponed due to pending investigations on possible irregularities.

Forensic Data Analysts (FDA): The budget for *machinery and equipment* was underspent due to the Department not reaching a settlement agreement before the end of the financial year with Forensic Data Analysts (FDA), its service provider, on the procurement of three Internet Technology (IT) systems currently being used by the Department and which are critical for service delivery.¹

In January 2019, a Court ruling ordered the Department and FDA to reach an out of court agreement on the sale of the systems by FDA to SAPS. The Court further ruled that FDA reserved its right to remove the systems from SAPS should no agreement be reached by the two parties and that the SAPS and SITA have been using the firearm permit system (FPS) unlawfully for more than a year. This was after FDA switched off the property control and exhibit management and FPS because SITA did not pay for the use of the systems.²

Since the ruling, SAPS and FDA have engaged in several negotiations with respect to the procurement of the IT systems by SAPS. However, no agreement had been reached on the purchase price of the systems by the end of the financial year, with the main cause of disagreement being about whether or not the purchase price requested by FDA represents the fair value of the systems.³

¹ National Treasury (2020)

² Ibid

³ Ibid



To resolve this, SAPS commissioned the Government Technical Advisory Centre (GTAC), funded through the National Treasury, to appoint a service provider on its behalf to undertake a fair value assessment of the systems. Upon finalisation of the fair value assessment by the independent service provider appointed by GTAC, there was still a dispute between the Department and FDA on the purchase price of the systems thus resulting in the National Treasury being requested to intervene in this matter.⁴

Although the National Treasury intervened and is presently assisting SAPS in resolving the dispute with FDA, the matter could not be concluded before the end of 2019/20. This resulted in the funds which were set aside under *machinery and equipment* in the *Detective Services* programme for the procurement of the systems by SAPS being unspent at the end of 2019/20.⁵

It is suggested that the Committee requests a special meeting with the SAPS and National Treasury to discuss the FDA matter. The systems owned by FDA are critical IT systems of the SAPS. This undoubtedly had a significant impact on the effective management of firearm licences and forensics.

3. EXPENDITURE AT PROGRAMME LEVEL

Programme 1: Administration. At the end of the 2019/20 financial year, the Administration Programme had spent R19.9 billion or 98.2 per cent of its available budget of R20.3 billion, thus recording preliminary underspending of R374 million.

The underspending was mainly recorded on:

- *Current payments* (R259.9 million): Underspending was mainly on *Goods and services* due to delays in the delivery of orders placed for personal protective equipment (PPE) for the COVID-19 response. According to the SAPS, orders were issued to suppliers in March 2020 who confirmed availability of the PPE, but after obtaining the delivery schedules, it appeared that the suppliers did not have enough stock and relied on importation from China, thus resulting in the allocated funds being unspent at the end of 2019/20.
- *Payments for capital assets* (R118 million): There were delays with the implementation of infrastructure projects managed by DPW due to disputes with contractors. Because of these delays, the SAPS recorded preliminary underspending of R37.1 million on *buildings and other fixed structures* at the end of 2019/20.

Programme 2: Visible Policing. At the end of the 2019/20 financial year, the Visible Policing Programme had spent R49.7 billion or 99.9 per cent of its available budget of R49.9 billion, thus recording preliminary underspending of R52.2 million.

The underspending was mainly recorded in the:

- *Crime Prevention* subprogramme (R147.3 million). The bulk of the preliminary underspending was recorded on current payments (R24.6 million), mainly on *goods and services*, as well as on *payments for capital assets* (R25.3 million), mainly on

⁴ Ibid

⁵ Ibid



machinery and equipment. This underspending was due to lower than anticipated spending on *operating leases* and *other machinery and equipment*.

Programme 3: Detective Services. At the end of the 2019/20 financial year, the Detective Services Programme had spent R18.9 billion or 98.3 per cent of its available budget of R19.2 billion, thus recording preliminary underspending of R333.8 million.

The underspending was recorded on *payments for capital assets* (R358.9 million), mainly on *machinery and equipment*, due to non-finalisation of the settlement agreement between SAPS and FDA on the sale of the IT systems. It is anticipated that these negotiations will be concluded during the course of the 2020/21 financial year. In the interim, SAPS has submitted a request to the National Treasury for approval to rollover these funds to the 2020/21 financial year for utilisation for the same purpose.

Programme 4: Crime Intelligence. At the end of the 2019/20 financial year, this programme had spent 100 per cent of its available budget of R4.2 billion, thus recording no preliminary under or over spending. However, at subprogramme level, preliminary overspending was recorded in the *Intelligence and Information Management* subprogramme (R19.5 million). This overspending was offset by preliminary underspending in the *Crime Intelligence Operations* subprogramme. The higher than planned spending in the *Intelligence and Information Management* subprogramme was mainly on *payments for capital assets*, specifically on *other machinery and equipment*, due to higher than planned procurement of intelligence equipment.

Programme 5: Protection and Security Services. At the end of the 2019/20 financial year, this programme had spent 100.2 per cent of its available budget of R3.4 billion for 2019/20, thus recording preliminary overspending of R7.2 million.

This overspending was mainly recorded in the *Static and Mobile Security* subprogramme. At economic classification level, preliminary overspending was mainly recorded on *payments for capital assets*, predominantly on *machinery and equipment* due to higher than planned procurement of transport equipment for the static and mobile security environment.

4. SERVICE DELIVERY PERFORMANCE

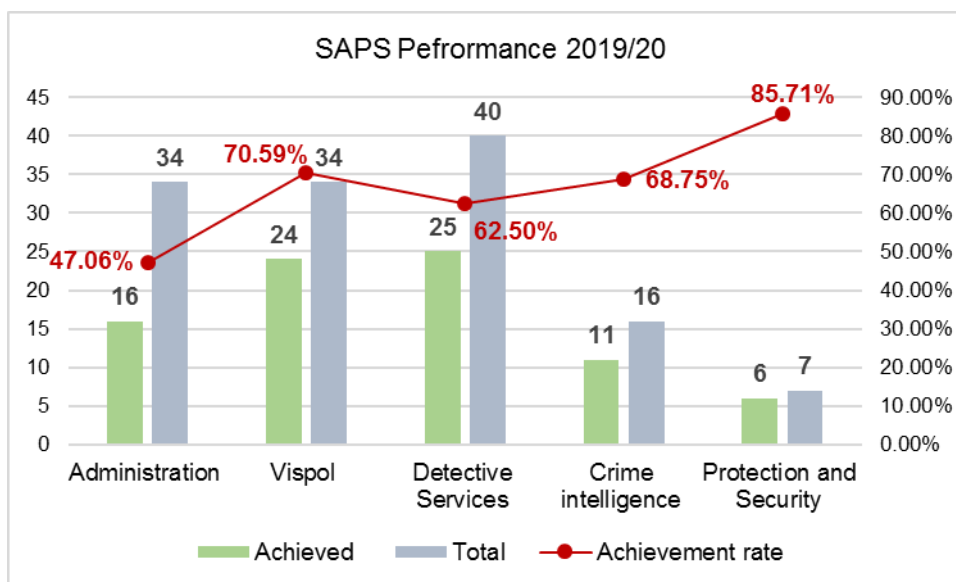
At the end of the fourth quarter, the Department achieved 63.36% of its performance targets (83 from 131 targets). As such, the Department did not achieve 35.8% of its targets (47 targets) at the end of the 2019/20 financial year. The Department aimed at an unqualified audit opinion in 2019/20, however, the information is not yet available because the audit has not been finalised at the time of reporting. While this performance information is not yet available, it should be noted that the Department received three consecutive qualified audit report since 2016/17.

The figure below provides a summary of the Department's performance at the end of the 2019/20 financial year. The Protection and Security Services Programme performed the best by achieving 85.71% of its targets (6 from 7 targets), followed by the Visible Policing Programme, which achieved 70.58% of its targets (24 from 34 targets). The Crime Intelligence Programme achieved 68.75% of its targets (11 from 16 targets) and the Detective Services



Programme achieved 62.50% of its performance targets (25 from 40 targets). The Administration Programme fared worst in 2019/20 and achieved only 47.06% of its performance targets (16 from 34 targets) at the end of the financial year.

Figure 1: SAPS Performance 2019/20



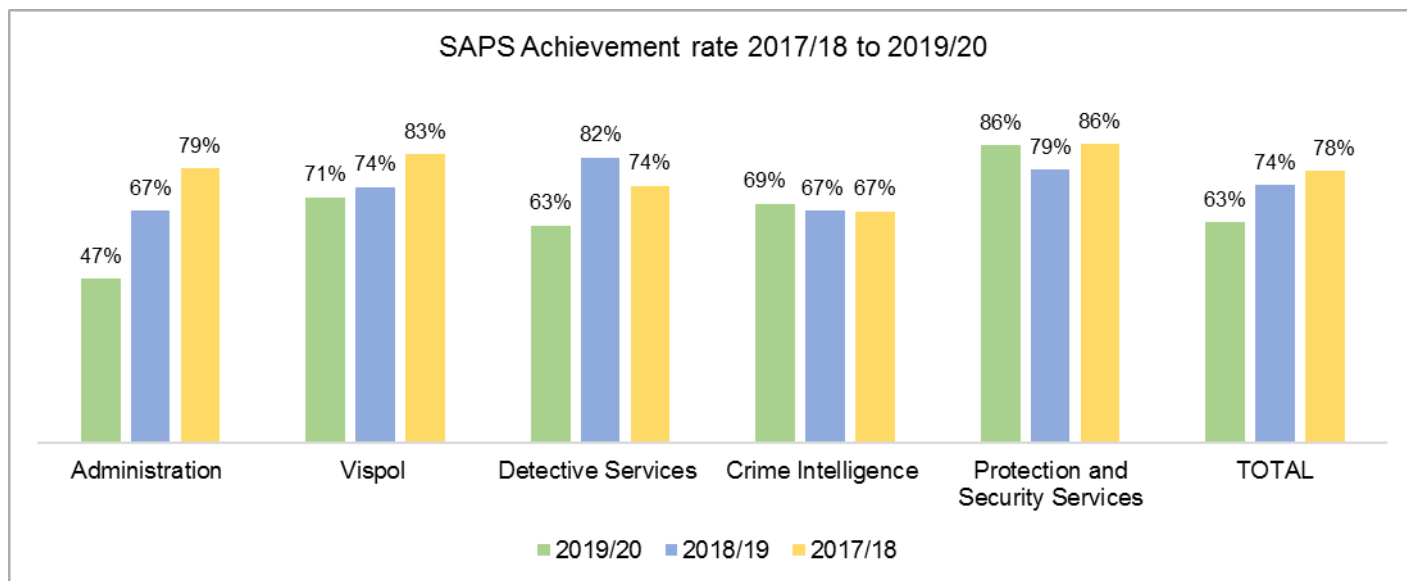
The figure below shows a declining performance rate in the Administration and Visible Policing Programmes over the past three financial years. Similarly, the overall performance of the Department has declined over the past three financial years from an achievement rate of 78% in 2017/18, to 74% in 2018/19 and 63% in 2019/20.

The Administration Programme shows the most significant decline compared to others. The Detective Services Programme and the Protection and Security Services Programme shows erratic performance over the past three financial years. While the Protection and Security Services Programme’s performance increased from 79% in 2018/19 to 86% in 2019/20, the Detective Services recorded a significant decline in performance in 2019/20 compared to the previous financial year (2018/19: 83%; 2019/20: 63%).

The Crime Intelligence Programme is the only programme that recorded steady performance with a slight improvement in 2019/20 from an achievement rate of 67% in 2018/19 to 69% in 2019/20.



Figure 2: SAPS Performance rate between 2017/18 and 2019/20



The following section provides selected performance targets that the Department did not achieve at year-end per programme. The section focusses on annual results and not fourth quarter results.

Administration Programme: The Programme did not achieve 17 of its 34 targets. The following should be noted:

- Percentage of identified ICT Infrastructure deliverables achieved
 - Target: 80%
 - Achieved: 75%
- Percentage of prioritised IS Solutions deliverables achieved
 - Target: 85%
 - Achieved: 76%
- Percentage of operational personnel declared competent in the modules: Legal Principles and the Use of Firearms: Handgun.
 - Target: 95,00%
 - Achieved: 91,99% (2559 were trained and 2354 were declared competent)
- Planned maintenance
 - Target: 80,00% (17)
 - Achieved: 11,76% (2 from a total of 17)
- Number of new mobile contact points procured
 - Target: 15
 - Achieved: 0
- Percentage of Bullet-Resistant Vests distributed, in relation to the demand
 - Target: 100%
 - Achieved 95,44% (10 057 BRV's were distributed, in relation to the demand of 10 538)
- Number of SAPS-owned firearms reported as stolen/lost
 - Target: Reduce by 5% to 605
 - Achieved: 672
- Number of identified digital radio communication infrastructure sites modernised and implemented



- Target: 112 high sites
 - Achieved: 26
- Number of identified National Network Communication Infrastructure sites modernised and implemented
 - Target: 240 WAN sites and 180 LAN sites
 - Achieved 0 WAN and 5 LAN
- Number of prioritised sites implemented with Closed-Circuit Television (CCTV)
 - Target: 129 sites
 - Achieved: 0
- Number of Remotely Piloted Aircraft System (RPAS) issued to prioritised areas.
 - Target: 10 RPAS
 - Achieved: 0
- Number of prioritised sites implemented with case management capabilities.
 - Target: 18 ICDMS sites
 - Achieved: 10
- Percentage of planned forensic investigations finalised.
 - Target: 100% (8):
 - Achieved: 75% (6 from a total of 8)

Visible Policing Programme: The Programme did not achieve 10 of its 34 performance targets. The following should be noted:

- Number of reported serious crimes
 - Target: Reduce, by -3,7% to 1 618 614
 - Achieved: Reduced by -2,7% to 1 635 896
- Number of reported contact crimes
 - Target: Reduce, by -6,7% to 577 034
 - Achieved: Reduced by 0,6% to 622 206
- Number of reported contact crimes at the identified 30 high crime weight stations.
 - Target: Reduce by -6,7% to 87 824
 - Achieved: Reduced by 0,1% to 94 230
- Number of stolen/lost and illegal firearms recovered
 - Target: Increase by 1% to 5 404
 - Achieved: 4 204
- Number of stolen/robbed vehicles recovered
 - Target: Maintain at 36 548
 - Achieved: 36 674 (31 725 identified, 4 786 unidentified and 163 cross-border)
- Percentage of applications for new firearm licenses finalised within 90 working days
 - Target: 90% within 90 working days
 - Achieved: 80,58%
- Percentage of police stations rendering a victim-friendly service to victims of rape, sexual offences, domestic violence and abuse
 - Target: 100% compliant with 2 of the 3 set criteria
 - Achieved: 99,91% (1 153 from a total of 1 154)
- Number of schools identified to implement the School Safety Programme
 - Target: 1 300 schools
 - Achieved: Implemented at 1 250 schools

Detective Services Programme: The Programme did not achieve 15 of its 40 performance targets. The following should be noted:

- Detection rate for crimes committed against women 18 years and above (murder, attempted murder, all sexual offences, common assault and assault GBH)



- Target: 75,10%
 - Achieved: 72,92% (144 384 from a total of 198 012)
- Detection rate for crimes committed against children under 18 years (murder, attempted murder, all sexual offences, common assault and assault GBH)
 - Target: 70,05%
 - Achieved: 66,14% (38 047 from a total of 57 529)
- Detection rate for serious crimes at the identified 30 high crime weight stations
 - Target: 37,65%
 - Achieved: 30,80% (83 627 from a total of 271 515)
- Detection rate for contact crimes at the identified 30 high crime weight stations
 - Target: 55,96%
 - Achieved: 36,92% (47 150 from a total of 127 711)
- Percentage of registered case exhibits (entries) exceeding the prescribed time frame
 - Target: Backlog not exceeding 10% of registered case exhibits (entries) received
 - Achieved: 27,06% (98 238 from a total of 362 979)
- Percentage of routine case exhibits (entries) finalised
 - Target: 75,00% within 35 calendar days
 - Achieved: 63,75%
- Percentage of Ballistics Intelligence (IBIS) case exhibits (entries) finalised
 - Target: 95,00% within 35 calendar days
 - Achieved: 84,64%
- Percentage of Biology DNA Intelligence case exhibits (entries) finalised
 - Target: 80,00% within 90 calendar days
 - Achieved: 59,87%

Crime Intelligence Programme: The Programme recorded large deviations between planned targets and actual performance on targets. It did not achieve 5 of its 16 performance targets. The following should be noted:

- Percentage of cross-border operations and arrests of identified transnational crime suspects facilitated, in relation to requests received from INTERPOL member countries
 - Target: 100%
 - Achieved: 63,83%
- Percentage of reactive intelligence reports that were operationalised at provincial level
 - Target: 80,00%
 - Achieved: 61,47%
- Percentage of arrests of identified transnational crime suspects facilitated, in relation to requests received from INTERPOL member countries
 - Target: 100%
 - Achieved: 54,05%

Protection and Security Services Programme: The reported performance on the target for the percentage of NKPs evaluated (Target: 100% (206)) is unclear and should be explained.



5. PERSONNEL

At the end of the 2019/20 financial year, the SAPS had 186 354 filled posts against the approved Human Resource Budget Plan (HRBP) annual target of 191 431 posts. This resulted in a vacancy rate of 2.7 per cent or 5 077 vacant posts. The number of vacant posts recorded is 351 fewer when compared with the same period in the 2018/19 financial year.

According to National Treasury, it has on numerous occasions impressed upon the SAPS to prioritise the filling of vacant funded posts in its core service delivery programmes such as *Visible Policing* and *Detective Services*. Despite this, these programmes continue to have a very high number of vacant funded posts. As at the end of 2019/20, the vacant posts were in the following programmes:

- Administration (965 vacancies);
- Visible Policing (2 814 vacancies); and
- Detective Services (806 vacancies).

6. KEY ISSUES FOR CONSIDERATION BY PARLIAMENT

The Committee should consider the following issues during the engagement with the Department:

- 1) It is suggested that the Committee requests a special meeting with the SAPS and National Treasury to discuss the FDA matter. The systems owned by FDA are critical IT systems of the SAPS. This undoubtedly had a significant impact on the effective management of firearm licences and forensics.
- 2) There has been a continuous low spending trend on buildings and other fixed structures. In 2019/20, the Department indicated the same reasons as it is advancing in this financial year i.e. that this slow spending is due to slow spending on infrastructure projects that are implemented by the DPW on behalf of SAPS. It is concerning that this trend has been persistent over past financial years and the same reasons have been provided by the Department. The Department should indicate what steps have been taken to address the continuous challenges raised regarding the DPW in terms of capital asset projects, as well as leases. The Department should further elaborate on the disputes with contractors.
- 3) The Committee should request the Department to elaborate on the slow spending on the Criminal Justice System (CJS) 7-Point Plan, especially in terms of consumables and supplies in the *Forensic Science Laboratory (FSL) subprogramme* (also in relation to the FDA dispute). Spending on the Criminal Justice System (SJS) Revamp was lower than planned. According to the Department, this was because National Treasury lifted the conditions halfway through the financial year. The Department did not spend R479.7 million of the available funds.
- 4) The Department should elaborate on the overspending recorded in the Programme 5: Protection and Security Services, which was recorded in VIP Protection and Static Security.



- 5) The Committee should request the SAPS to explain the high vacancy rate in the Visible Policing Programme.
- 6) The Department should explain its relationship with INTERPOL. What led to the underperformance on INTERPOL-related targets in the Crime Intelligence Programme?
- 7) It should be concerning that 205 operational personnel did not successfully complete training on the use of firearms (handguns). The Department should explain whether these members will receive additional training and whether steps were taken against these members.
- 8) The Committee should interrogate the poor performance on Digital Radio Communication and National Network Communication Infrastructure. The poor performance will be further exacerbated in the 2020/21 financial year, as the Department has reprioritised significant funds away from these infrastructure sites as part of the 2020/21 Special Adjusted Budget. The Department should explain the impact the poor performance has on the modernisation of the SAPS.
- 9) The Department failed to achieve its target on the implementation of the ICDMS at 18 police stations, which is concerning. The Department should indicate the amount that has been spent to date on the development and implementation of the ICDMS to date.
- 10) The Department should explain the challenges experience with the implementation of the School Safety Programme.

7. REFERENCES

National Treasury (2019). *Fourth quarterly expenditure report to the Standing Committee on Appropriations (2019/20)*.

South African Police Service (SAPS) (2020). *2019/20 4st Quarter and Annual Performance South African Police Service* dated 06 October 2020.