

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**PARLIAMENTARY QUESTION NO.: 2282**

**DATE OF QUESTION: 10 JUNE 2015**

**DATE OF REPLY: 26 JUNE 2015**

**Mr W Horn (DA) to ask the Minister of Justice and Correctional Services:**

(1) With reference to the third party funds administered by his department, (a) how many officials are, in terms of their (i) employment contracts and (ii) key performance areas, responsible for and involved in the process of the administration of third party funds and (b) how many of the specified officials have been vetted by his department in the last 12 months;

(2) what amounts have been lost from the third party funds due to (a) theft and/or (b) maladministration (i) in the (aa) 2012-13, (bb) 2013-14 and (cc) 2014-15 financial years and (ii) from 1 April 2015 up to the latest specified date for which information is available;

(3) In respect of each financial year or period, (a) how many departmental officials were subjected to disciplinary processes as a result of the specified losses and (b) what portion of the specified losses was the subject of each disciplinary hearing? NW2643E

**REPLY:**

1. (a) It is confirmed that 2 813 officials are involved in the administration of Third Party Funds at courts throughout the country.

(b) A total of 354 of these officials have been vetted during the previous financial year (2014/15).

(2) The current registered receivables for Third Party Funds for the financial years under question include R 3, 160, 615.80 registered in the 2012/13 financial year (0.05% of the value of all transactions that occurred during the year), R 7, 804, 641.23 registered in the 2013/14 financial year (0.13% of the value of all transactions that occurred during the year) and R 4, 360, 332.81 registered in the 2014/15 financial year (0.07% of the value of all transactions that occurred during the year). These receivables relate to dishonored cheques, maintenance overpayments and shortages. Shortages include amounts for theft, fraud, system errors and break-ins. Shortages account in general for 93% of receivables at financial year end. The receivables registered are systematically being investigated and finalized as per the Treasury Regulations and Departmental Prescripts. After such investigation should the amounts not be recovered, the Department of Justice and Constitutional Development stands as security should amounts be written-off and as such these activities have no impact on maintenance being paid to the beneficiaries. When write-offs occur within the ambit of the Treasury Regulations and Departmental prescripts, it would be appropriately reflected in the financial statements of the Department of Justice and Constitutional Development and audited as appropriate.

The department established the following controls to limit and prevent shortages in TPF in future:

1. Daily reconciliation of monies at court level being submitted electronically for review by the regional supervisory staff;
2. Weekly review of reconciliations submitted by National Office;
3. Follow-up on corrective measures being implemented on a weekly basis by National Office;
4. Consistent national effort with SITA to address system errors on JDAS that has led to a clear understanding of the system challenges that were 95% resolved at the financial year end of 2014/15 and will be finalized in the 2015/16 financial year;
5. Physical Security and Programmatic Security to prevent Cyber Crime;
6. Appropriate training at grass-roots level and supervisory level; and
7. Appointment of financial technically proficient staff that can review reconciliations and fulfill oversight functions at the required levels.
8. The following numbers of officials were subjected to disciplinary processes as a result of the specified losses for the amounts stated for each financial year in question. Please take note that such disciplinary processes may have taken place in different financial years as to when the actual registration of the receivables occurred.

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| **FINANCIAL YEAR** | **(a) NUMBER OF OFFICIALS** | **(b) AMOUNT (R)** |
| 2012/2013 | 87 | 2, 525, 622.45 |
| 2013/2014 | 56 | 1, 138, 621.01 |
| 2014/2015 | 43 | 1, 839, 635.60 |
| April & May 2015 | 5 | 769, 807.78 |