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| **PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA****NATIONAL ASSEMBLY** |

**FOR WRITTEN REPLY**

**QUESTION NO: 3962**

**Ms D Carter (Cope) to ask the Minister of Justice and Correctional Services:**

Whether, in view of the concession by the National Commissioner as reported in the Budgetary Review and Recommendation report of the Portfolio Committee on Correctional Services to the National Assembly that his department had often addressed one qualification at the risk of other risk areas resulting in new qualifications by the Auditor-General and a series of qualified reports, he has (a) taken any steps to ensure that his department’s disregard for the findings and recommendations will never occur again and (b) ordered disciplinary measures to be taken against all officials who had since 2014 been guilty of ignoring the findings and recommendations of the Auditor-General in order to show his resolve; if not, why not; if so, what are the details? NW4829E

**REPLY:**

Yes, the National Commissioner has taken steps to ensure that the Department of Correctional Services improves on its audit outcomes, in particular to resolve qualifications on its financial statements, eliminate non-compliance to laws and regulations as well as enhancing the system of internal controls. Since 2005/6 until 2013/14 financial years, the department had continually received qualification due to asset management. Internal controls on management of tangible movable assets were enhanced over time, resulting in resolution of this matter during the previous financial year, i.e. 2014/15.

In the same year (i.e. 2014/15), the basis of qualification was a new matter on contingent liabilities. The Auditor General was “*unable to obtain sufficient appropriate audit evidence for claims against the department because it did not have adequate systems and processes to record and maintain a register for claims against the department*”, 2014-15 Report of the Auditor General.

Steps that have already been taken to address emerging qualifications include capacitating the Legal services component. In this regard, a vacancy of Head of Legal Services has been filled during the year.

Operational action plan which seeks to address weaknesses in contingent liability registers is presented below:

| **Activities** | **Measure** | **Timeframes** |
| --- | --- | --- |
| Review and update of contingent liabilities register  | Contingent liabilities register-* reflecting all current claims; and
* corresponding source documents
 | 1 August 2015 – 30 October 2015 |
| Request State Attorneys’ preliminary verification of claims | All claims contained in the Register verified and confirmed by various state attorneys servicing DCS | 30 November 2015 |
| Internal auditing of contingent liabilities register | * Internal Audit Report.
* Findings of the internal audit addressed.
 | 30 January 2016 |
| Submission of register to AGSA for their preliminary auditing.  | Findings of the AGSA’s preliminary audit addressed.  | 28 February 2016 |
| Request final State Attorneys’ verification of claims  | All claims contained in the Register verified and confirmed by various state attorneys servicing DCS. | 31 March 2016 |
| Submission of final disclosure note for inclusion in AFS  | Complete and verified contingent liabilities submitted timeously. | 15 April 2016 |

In order to improve the departmental system of internal controls, the inadequate capacity within assurance services has been identified as a key root cause to matters of non-compliance with laws and regulations. In this regard the following interventions are either underway or have been finalized:

* The Internal Control and Compliance (ICC) component has been capacitated through the appointment of Head of ICC;
* The establishment and capacitation of a risk management unit within ICC will be carried out during the current financial year;
* Recruitment of additional internal auditors at regional / provincial level

The department has prioritized investigations into irregular, fruitless and wasteful expenditure as the first step towards effective consequence management. The Inspectorate directorate under ICC is currently investigating backlog of cases of non- compliance to SCM processes which include amongst others, non-disclosure of interest, irregular, fruitless and wasteful expenditure. The National Commissioner also appointed an Investigation Steering Committee to provide oversight on the process of investigation as well as making recommendations to National Commissioner on disciplinary steps to be taken against officials who have failed to comply with policies and procedures.

As at end 31 October 2015, the status of investigations is as follows:

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| --- | --- | --- | --- | --- |
| **Status of investigations** | **Total cases** | **Cases Finalized** | **Investigations in progress** | **Investigations not yet started** |
| Total | 649 | 476 | 41 | 132 |