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ANALYSIS OF THE 2012/13 STRATEGIC PLAN AND BUDGET FOR THE INDEPENDENT POLICE INVESTIGATIVE DIRECTORATE

1. INTRODUCTION

According to National Treasury Budget 2012 Estimates of National Expenditure (ENE)¹, the Independent Police Investigative Directorate (IPID) is aimed at ensuring independent oversight of the SAPS and Municipal Police Services, and conducting independent and impartial investigations of identified criminal offences allegedly committed by members of the SAPS and the Municipal Police Services, and make appropriate recommendations.

The overarching goal of the Directorate is to contribute towards ensuring a police service that is trusted by the community and operates in line with the spirit of the Constitution.² The aim of the Directorate is to ensure independent oversight of the SAPS and Municipal Police Services, and conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the SAPS and Municipal Police Services, and make appropriate recommendations.

2. OBJECTIVES

This report is aimed at analysing and critical evaluating IPID's 2012/2013 Budget in relation to:

- Strategic Priorities in terms of the IPID 2012-2013 Annual Performance Plan and the 2012-2017 Strategic Plan.
- The Third Quarter spending.
- Nominal versus real allocations at Vote and programme level.
- Key issues to be considered by Parliament in its oversight role over the budget.

3. STRATEGIC PRIORITIES FOR 2012/13

This section deals with Strategic Plan 2012-2017 and the 2012-13 Annual Performance Plan. The Annual Performance Plan states that the establishment of the IPID will usher in a new era of civilian oversight over specified crimes committed by members of SAPS and municipal police services. Other priorities are:

- Report and monitor recommendations that are made in respect of members of the SAPS and municipal police services;

¹Estimates of National Expenditure 2012

²ENE 2012



- Improve reporting and accountability practices;
- Develop policy, reporting frameworks and standard operating procedures to regulate investigations; and
- The strengthening of national and provincial management will be one of the top priorities of the year. Areas for expansion will include corporate governance, performance monitoring and evaluation, and internal auditing.³

Programme 1: Administration is responsible for the overall management of the Directorate and support services, including the coordination and provision of effective and efficient strategic support. It consists of executive support, corporate governance, internal audit, finance, and corporate management services. According to the ENE 2012/13 there is a sub-programme called Office Accommodation. This sub-programme is not mentioned in the Annual Performance Plan.

Strategic objectives for Programme 1 are: **Outcome 3.1:** The IPID is accessible to the public; and **Outcome 3.2:** The performance management systems operate optimally. Outputs for **Outcome 3.1** will be measured by Public Awareness campaigns conducted and Stakeholder Management. **Outputs for Outcome 3.2** will be measured by Policies and guidelines and performance management system.

Strategic Objective	Performance Indicator	Medium-term-target 2012/2013	Target and estimated performance for 2011/12
Public Awareness Campaign	<ul style="list-style-type: none"> • Number of community outreach events conducted. • Number of media statements and responses released 	<ul style="list-style-type: none"> • 306 • 50 	<ul style="list-style-type: none"> • Target:260 • Estimated performance: 307 • NEW INDICATOR
Stakeholder management	Number of formal engagements with key stakeholders	4	<ul style="list-style-type: none"> • NEW INDICATOR
Up to date policies and guidelines	<ul style="list-style-type: none"> • Percentages of policies reviewed by departmental Policy Review Committee. 	<ul style="list-style-type: none"> • 100% • Establish 	<ul style="list-style-type: none"> • Target: 70% • Estimated performance: 70% • NEW

³Annual Performance Plan 2012-2013



			INDICATOR
	<ul style="list-style-type: none"> • Number of performance monitoring and evaluation reports submitted. • Number of financial expenditure reports submitted. 	Corporate Governance Component and set annual and quarterly targets. <ul style="list-style-type: none"> • 16 	<ul style="list-style-type: none"> • Target: 16 Estimated performance: 16
Performance Management System	<ul style="list-style-type: none"> • Number of asset verifications and updates of assets register completed. • % vacancy rate. • % females at senior – and top management level • % persons with disabilities 	<ul style="list-style-type: none"> • 4 • Below 10%. • 50% • 2% 	<ul style="list-style-type: none"> • Target: 4 Estimated performance: 4 • Target:10% Estimated performance: 7%

Comments/Questions

General comment/question:

If one compares the 2012/13 Annual Performance Plan with the 2011/12 Annual Performance Plan of the previous year it is clear that a number of changes have been made. These include:

The deletion of a number of key indicators (approximately 14 indicators have been deleted). These include some key indicators including:

- Indicators for internal audit function
- Indicators for improvement to service delivery
- Indicators for health and awareness
- Indicators for discipline

In addition, there are a number of new/revised indicators, as indicated in the Table above.



The IPID should explain the reasons for reduction of indicators as well as the reasons for additional new indicators. Some of the indicators that have been deleted might be useful to be retained, for example the indicators relating to discipline.

Specific:

- Office Accommodation deals with the leased accommodation of IPID. Why are there no targets in place to ensure effective management within this programme and cost effective expenditure of funds, particularly in the light of current problems with the management of leased accommodation and the relationship with the Department of Public Works?
- The Corporate Governance component is yet to be established. It will therefore be important that such establishment is monitored by the Portfolio Committee. The Directorate should explain which budget will be allocated to establishing this component. Appointment of staff will occur in the first quarter. How many staff members will be appointed to this function?
- Public awareness campaigns are important in that they enable the Directorate to interact and market itself to the public. This assists the Directorate to immediately get information on police conduct well in time. The Minister has noted that the IPID faces a serious challenge in marketing itself in rural areas. How many of the 306 outreach programmes will be targeted at rural areas and should these not be specified in the APP?
- Why are there no targets in the APP for the establishment of satellite offices? We know that one should have been established in George in 2011 and one in Pretoria in 2012/13. Yet this is not provided for in the APP (though it is mentioned in the 2012-2017 Strategic Plan). Budget has been allocated for this purpose and therefore surely it should be included.

Programme 2: Investigation and Information Management coordinates and facilitates investigative process and develops investigation policies and strategic frameworks that guide and report on investigations. It consists of the following sub-programmes: Investigation Management, Information Management, and Policy Development and Provincial Coordination.

Strategic objective for programme are: **Outcome 3.3:** The IPID processes cases efficiently. This outcome will be measured by three outputs: case management system, completed investigations, and recommendation reports.

Strategic Objective	Performance Indicator	Medium-term-target 2012/2013	Target and estimated performance for 2011/12
Case Management	• Percentage of	• 95% (5995	Target for 2011/12:



System	<p>cases allocated within 48 hours of registration.</p> <ul style="list-style-type: none"> Number of statistical reports generated on the number and type of cases investigated, recommendations made and the outcomes thereof. 	<p>cases)</p> <ul style="list-style-type: none"> 19 	<p>100% Estimated achievement: 98%.</p> <p>Target: 19 Estimated performance: 17</p>
Completed Investigations	<ul style="list-style-type: none"> Percentage of all investigations completed within the financial year. Number of backlog investigation (excluding cases of systematic corruption). 	<ul style="list-style-type: none"> Determine baseline and set targets for outer years. 656 (the current number of backlog cases is 875 and 656 is a 25% reduction on the current number). 	<p>New mandate emanating from Act to increase by 5% per year.</p> <ul style="list-style-type: none"> New indicator
Recommended Reports	<ul style="list-style-type: none"> Disciplinary recommendation reports generated within 30 days of completion of investigations. Criminal recommendation reports generated within 30 days of completion of investigations 	<ul style="list-style-type: none"> All completed cases. All completed cases 	<p>New indicator (the previous indicator was divided into two groups)</p>
Feedback reports on investigations	<ul style="list-style-type: none"> Feedback reports regarding the outcome of investigations 	<ul style="list-style-type: none"> All completed cases 	<ul style="list-style-type: none"> New indicator



	provided within 30 days of closure thereof.		
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Comments/Questions

- The Committee has previously raised its concern with dropping the target for the percentage of cases allocated within 48 hours of registration to 95% for 2011/12 and 2012/13. The explanation given by the Directorate is that they are unsure as to how many cases may arise in line with their new mandate. However, it is a concern that estimated performances only at 98% for 2011/12 despite the fact that the mandate had not yet changed.
- It is however noted that the Directorate has increased the targets for percentage of cases allocated within 48 hours of registration to reach 100% by 2014/15. The previous APP did not provide for this incremental increase of target.
- Why is the estimated performance for 2011/12 for provision of statistical reports that the Directorate will only achieve 17 reports out of the 19 targeted? What is the reason for this and can it be overcome with additional budget in 2012/13?
- The Committee had recommended in the 2011/12 that a target for backlog investigations is included in the APP. This has been done as requested.
- The Portfolio Committee should monitor the setting of baselines and targets for percentage of all investigations completed within the financial year.
- A number of new targets have been included (on backlogs, feedback reports and differentiation of recommendation reports into 2 categories) and some targets have been removed. While this seems to make sense in this programme, can the directorate provide a rationale for this decision?
- The decision seems to be made that all investigation targets are grouped into one category. It is a concern that no target has been set even for those investigations which are currently within the mandate of the Directorate, i.e. deaths in police custody. Surely targets could have already been set for this as has occurred in the past? While it may be more understandable to set targets for new investigation functions as highlighted in the IPID Act, this should not have been done at the expense of current targets for existing investigations. The Annual Performance Plan does not set any targets relating to the performance of the new Policy Development and Provincial Coordination sub-programme. This was said to be one of their priorities but nothing is said about how is this going to be achieved. Can the directorate explain?

Programme 3: Legal Services provides investigation advisory services and litigation support. It consists of the following sub-programmes: Legal support and Investigation Advisory Services.



There are two outputs generated by this sub-programme: Legal and litigation advisory services and investigation advisory services.

Strategic Objective	Performance Indicator	Medium-term-target 2012/2013	Target and estimated performance for 2011/12
Legal Support	<ul style="list-style-type: none"> Percentage of contracts and service level agreements finalised within 21 working days of request. Percentage of legal opinions provided to the directorate within 10 working days of request. 	<ul style="list-style-type: none"> Determine baseline. Determine baseline. 	<ul style="list-style-type: none"> New programme
Investigation Advisory Services	<ul style="list-style-type: none"> Percentage of investigations in which legal advice was requested. Percentage of legal opinions provided to investigators within 24 hours of requests. 	<ul style="list-style-type: none"> Determine baseline. Determine baseline. 	<ul style="list-style-type: none"> New programme

Comment and questions:

- The baseline setting should be monitored to ensure that performance of this sub-programme is measured. There is already a budget allocation of R4 064 million for this sub-programme so its function and spending should be closely monitored.
- The Directorate has not allocated targets to any of these indicators as they are 'new programmes'. However, some of these targets already existed for example 'Percentage of legal opinions provided to investigators within 24 hours of request' and a target of 80% was set for 2011/12 as well as 'Percentage of legal opinions provided to the directorate within 10 days of request'- with a target of 75%. While clearly the



number of investigations may change with a result of a changed mandate, it should still be possible to set/retain these targets. Why was the decision made not to do so?

- Explain the removal of certain indicators or the rewording of changed indicators and the reasons for doing so.

4. Concerns raised in the 2011/12 budget process

The following table depicts key concerns raised by the Committee in the 2011/12 budget hearing:

Key Concern	Committee's Concern	Committee's Recommendation	Current State in 2012/17 Strat. Plan and 2012/13 APP
Strategic Priorities	Strategic priorities and focus areas identified in Plans do not clearly address the changes in functioning of ICD that will occur on implementation of the Act		This was addressed in the 2012/17 Strat. Plan and activities in the APP are in line with strategic objectives in Strat. Plan.
Measurements of Outputs and Outcomes	The performance indicators and targets included in the two planning documents. This included: <ul style="list-style-type: none"> • The targets in the Plan measures outputs rather than outcomes. • High number of workshops as targets in the Plan. • HIV should not be dealt with as an event but an ongoing process 	ICD to review its APP to ensure that the targets are measure useful information in terms of performance i.e outcomes as well as outputs	Both pages 16 of APP and 05 of Strat. Plan deal with how outcomes and outputs will be measure. Area of concern: Both these documents do not say anything about how the execution of the recommendations to the SAPS will be monitored. Different types of cases are not differentiated to set the targets for each case. <ul style="list-style-type: none"> • No workshops



			and development R944 thousand from R512 thousand in the previous budget allocation in programme 2.
Retention of staff	The retention of staff has always been an ongoing challenge within ICD.		IPID has committed in their APP to reduce vacancy rate to be below 10% in 2012/13 financial year. The directorate also have a Retention Policy in place. Area of Concern: By end of September 2011, there were 20 unfilled vacancies. The vacancies will increase due to the implementation of IPID Act.
Case Management System	The status of Case Management System in the ICD.		Case Management System is measured in the APP.

5. ANALYSIS OF THIRD QUARTER SPENDING FOR PERIOD ENDING 31 DECEMBER 2011

Spending trends: The IPID had spent R93.9 million (61.2%) of the allocated budget by the third quarter of the financial year, which is below that of December 2010 (71%). The expenditure is also lower than the projected expenditure of 75.6%.

Spending per programme:

Programme 1: Administration: This programme consumed only 62.8% of its received allocation by end of December 2011/12. This expenditure is much lower than the previous financial year when 82.8% was spent and also lower than the projected expenditure of



			<p>are included in the Plan.</p> <ul style="list-style-type: none"> • HIV/AIDS issue also excluded in the Plan.
Measurement of Backlogs	There is no separate indication for the reduction of case backlogs.	That there is a separate indicator for reduction of case backlogs be included in the APP	This was addressed
Low targets set for priority focus areas	The targets set in some of the priority areas are too low.		<p>Different types of cases are not differentiated to set the targets for each case.</p> <p>No baseline and targets are set.</p>
The 2011/12 budget in relation to the IPID Act	The minimal increases to the budget for 2011/12 and for the MTEF do not reflect the implementation of the IPID Act.	ICD must give the Committee with the copy of its costing document for implementation of the IPID Act when this costing document has been approved by the Minister.	<p>The overall budget allocation of the IPID Vote is relatively high R197.1 million compared to R153.5 million in the previous year.</p> <p>According to Research section information, ICD never provided information requested by the committee.</p>
Capacity building of investigators	Training allocated as a percentage of compensation of employees has decreased in 2011/12 in comparison to 2010/11		<p>Training allocated as a percentage of compensation of employees has increased in 2012/13 by 2.1% from 1.7%. There is an increase in the budget allocated for training</p>



75.4%. The sub-programme *Corporate Services*, with the highest allocation in this programme (40 512), had spent 64.6% in comparison to R89% in the previous year. The sub-programme *Management* which had an expenditure of 62.9% has experienced an increase in spending in comparison to the same period of the previous financial year (59.6%). The spending for *Office Accommodation* was very low at 54.5% in comparison to 88.8% in the previous year. This is apparently due to the lease dispute with DPW.

Under Economic classification, the highest spending of 68.3 per cent occurred under Goods and Services (which is still low in comparison to the previous year in which expenditure at the end of December 2010 was at 102.4%). The lowest spending was for Machinery and equipment which had spent only 41.7 per cent of its allocated budget (in comparison to 63.3% in 2010/11).

Programme 2: Complaint Processing, Monitoring and Investigations: The programme spent R44.6million (59.9%) of its allocated budget by the end of December 2011. The expenditure for this period is lower when compared to that of December 2010 (66.1%). The anticipated spending for this period was 75.3% which has not been met by the Department. The low expenditure is apparently attributed to the outstanding invoices and substantiating documentation from SITA in terms of service delivery. Complaint processing, monitoring and investigations (the core function of the Directorate) had spent 59.8% which is lower than the 66.3% spent by the 3rd quarter of the previous financial year. Legal Services had spent 61.3% which is slightly higher than spending in 2010/11 (59.1%)

Expenditure under Current payments was at 60.6% (compared to 66.7% in the previous year) and Payments for capital assets was at 28.4% compared to 46.6% in the previous year. Under Current payments the low spending was apparent in Goods and services (41.7% in comparison to 46.5% in the previous year).

The low spending under both Goods and Services and Payment for capital assets is attributed to the slow vetting of service providers. The Payments for financial assets with a budget of R5 000 has utilised its entire budget in the first quarter of the financial year for the writing off of bad debts.

Programme 3: Information Management and Research: This programme spent R11.6 million, which is 61.1% of its allocation by 31 December 2011. The expenditure trend on this programme is higher than for the same period in 2010/11 where 53.3% was spent at end of December 2010. However the expenditure is slightly lower than the projected drawings of 77.6% for the reported period. Lower spending was apparent in the sub-programme Research which spent 48.6% in comparison to R62.1% in the previous year. Higher spending was apparent in Information Management System which spent 62.4% in comparison to 52.3% in the previous year.



The spending under Current payments was at 62% in comparison to 51.9% in the previous year. Machinery and equipment expenditure is also low at 40.8% (in comparison with 79.7% in the previous year). The low spending for this programme is attributed to service providers providing incorrect specifications for quotes.

Over and under-expenditure for particular line items: Over-expenditure by the end of the 3rd quarter was apparent for:

- Consultants and professional services: business and advisory service- 100.3% (R337 thousand spend of its budget of R360 thousand). This is attributed to expenditure for editing of the Domestic Violence Act (1999); realigning of SMS performance agreements; and drafting of IPID regulations.
- Fleet services- 166.6% (R4.3 million spent of its budget of R2.6 million). Attributed to

Under-expenditure by the end of the 3rd quarter was apparent for:

- Lease payments- 34.8% (R3.49 million spent of its budget of R10 million). This is attributed to the lease dispute with DPW.

Human Resources: In terms of Compensation of employees overall expenditure was at 66.3% (compared to an estimated expenditure of 74.2%). Lowest expenditure is apparent for Programme 1: Administration (58.9%); followed by Information Management and Research (68%) and Complaints Processing, Monitoring and Investigations (70.7%). Low spending is attributed to personnel evaluation and award bonuses that had not been finalised and new posts that were not yet filled.

Comments/ Questions:

It is clear that expenditure for programmes and economic classification items by the end of the 3rd quarter was low and below projected expenditure. Key problem areas include:

- Compensation of employee's expenditure was low as a result of unfilled posts that have been advertised and should be filled.
- Goods and services expenditure is low including low spending on Leases due to the dispute with DPW on the lease contract.
- Machinery and equipment expenditure is extremely low due to problems with service providers and delays in the vetting of them by the State Security Agency which impacts negatively on the performance of the Department.

Additional questions:

- The expenditure of the directorate shows the trend of under-spending -in almost all sub-programmes. The spending is generally lower than the same period 2010 and also the projected expenditure. Why is that?
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- The expenditure for Administration is lower than same quarter in 2010 (82.8%) compare to 62.8%. What is this attributed to?
- The reason given for low expenditure in Complaint Processing, Monitoring and Investigations is the outstanding invoices and substantiating documentation from SITA in terms of service delivery. What are measures in place to address this situation?
- Does the IPID envisage that it will be able to spend its allocated funds by the end of the 4th quarter for 2011/12? If not, where will there be under-expenditure? What steps were taken during the 1st, 2nd and 3rd quarters to encourage spending in areas where expenditure was too slow?

Comparative Analysis of Expenditure in 2011: The IPID received a budget of R151.6 million for the 2011/12 financial year. The following table illustrate the spending per quarter starting from 1st to the 3rd quarter.

Table 1

1 st Quarter	2 nd Quarter	3 rd Quarter	Comments
<p>The ICD has spent a R29.3 (19.3%) million of its allocated budget within the first quarter of the financial year, which was lower than the benchmark of 25%. The expenditure is comparatively lower than 2010/11, when 24.1% of the budget was utilised.</p> <p>REASON: Late receipt of invoices, problematic BAS or LOGIS</p> <p>Current payments utilised 19.6% of its</p>	<p>The ICD has spent R62.1 million (41%) of the allocated budget by the second quarter of the financial year, which is slightly above that of September 2010. The expenditure is lower than the benchmark of 50% and also lower than the projected drawings of R76.8 million (50.2%).</p> <p>REASON: Problems experienced with the BAS system. The department has received assistance from SITA and the BAS technical team to mitigate these challenges.</p> <p>Current payments utilised 41.4% of its</p>	<p>The IPID has spent R93.9 million (61.2%) of the allocated budget by the third quarter of the financial year, which is below that of December 2010. The expenditure is also lower than the projected expenditure of 75.6%.</p> <p>REASON: Disputes with the Department of Public Works regarding lease agreements as the department is awaiting legal advice; implementation of the outcome of personnel evaluations.</p> <p>Current payments utilised 61.9% of the</p>	<p>With the exception of the 2nd Quarter, IPID spent less than the previous year. In all quarters it spent less than benchmarked and projected drawings.</p> <p>What is the situation regarding problematic BAS?</p> <p>Current payments in</p>



<p>budget. Compensation of employees has spent 21.2% which is 3.5% below the projected drawings. Lower than the same period for 2010/11.</p> <p>REASON: Salary increases that were budgeted to be paid in May but has been delayed due to negotiations not being finalised; as well as the some posts remaining vacant.</p>	<p>budget lower than projected drawings of 49.7% for the period. Compensation of employees spent 43.8% which is 5.8% below the projected drawings. Lower than the same period for 2010/11.</p> <p>REASON: Delay in the finalization of the job evaluations for nine new positions that needs to be filled.</p>	<p>budget which is lower than projected drawings of 75% for the period. Compensation of employees has spent 66.3% which is 7.9% below the projected drawings and also lower than the same period for 2010/11.</p> <p>REASON: Implementation of personnel evaluations which was only done in January 2012, as well as new posts that were authorised by the Executive authority which are still to be advertised.</p>	<p>general and Compensation of employees is underutilised in all quarters.</p> <p>What is the status on filling of vacant posts?</p>
<p>Programme 1: Administration This programme consumed 21.1% of its allocation at end of June 2011/12. The programme expenditure is higher than the previous financial year when 16.8% was spent.</p> <p>The sub-programme <i>Office Accommodation</i> has the highest expenditure of 31.2% followed by the sub-</p>	<p>Programme 1: Administration This programme consumed 41.9% of its received allocation at end of September 2011/12. This expenditure is higher than the previous financial year when 38.3% was spent, but lower than the projected expenditure of 50.9%.</p> <p>The sub-programme <i>Corporate Services</i>, with the highest allocation in this programme, has spent</p>	<p>Programme 1: Administration This programme consumed 62.8% of its received allocation by end of December 2011/12. This expenditure is lower than the previous financial year when 82.8% was spent and also lower than the projected expenditure of 75.4%.</p> <p>The sub-programme <i>Corporate Services</i>, with the highest allocation in this programme (40 512),</p>	<p>Comments</p> <p>In the 1st and 2nd quarters, the spending was higher than the previous year. There is an under-spending in the last quarter, why?</p>



<p>programme <i>Management</i> which had an expenditure of 20.5%. There is improvement in expenditure (16.8%) for the sub-programme <i>Office Accommodation</i> in comparison to 2010/11 for the same period.</p> <p>REASON: Non-implementation of the IT and Asset plan; and the awaited job evaluations of some unfilled posts.</p>	<p>43%. The sub-programme <i>Management</i> which had an expenditure of 43.7% has experienced a decline in spending in comparison to the same period of the previous financial year. The spending for <i>Office Accommodation</i> is relatively low at 34.5%.</p> <p>REASON: Non-implementation of the IT and Asset plans (purchasing of equipment) and the outstanding finalization of job evaluations of certain vacant positions.</p>	<p>has spent 64.6%. The sub-programme <i>Management</i> which had an expenditure of 62.9% has experienced an increase in spending in comparison to the same period of the previous financial year. The spending for <i>Office Accommodation</i> is relatively low at 54.5%.</p> <p>REASON: The reason for low Office Accommodation is due to lease dispute with DPW.</p>	<p>Has IT, Asset Plan and job evaluation on unfilled posts been completed? Is there any further progress on the disputed lease agreement with DPW?</p>
<p>Programme 2: Complaints Processing, Monitoring and Investigation <i>Complaints Processing, Monitoring and Investigation</i> spent a total of R13.8 million or 18.6% of its received budget by the end of June 2011. The expenditure for this</p>	<p>Programme 2: Complaints Processing, Monitoring and Investigation <i>Complaints Processing, Monitoring and Investigations</i> spent R29.1 million (39.1%) of its budget by the end of September 2011. The expenditure for this period is similar to</p>	<p>Programme 2: Complaints Processing, Monitoring and Investigation The programme spent R44.6million (59.9%) of its allocated budget by the end of December 2011. The expenditure for this period is lower when compared to that of December 2010. The</p>	<p>Comments The spending in both the 1st and 3rd quarter is lower than the previous year's. This programme is</p>



<p>period is marginally lower than the 19.6% spent in June 2010.</p> <p>REASON: Outstanding invoices from the travel agency that is yet to be processed.</p> <p>Expenditure under Current payments and Payments for capital assets is 18.9% and 5.1% respectively. The Payments for financial assets has utilized its entire budget in the first quarter of the financial year for the writing off of bad debts.</p>	<p>September 2010. The anticipated spending for this period was 50.4% and was not met by the department.</p> <p>REASON: Outstanding invoices from the travel agency as well as the unavailability of the BAS system.</p> <p>Expenditure under Current payments is at 39.5% and for Payments for capital assets at 23%.</p>	<p>anticipated spending for this period was 75.3% which has not been met by the department.</p> <p>REASON: Outstanding invoices and substantiating documentation from SITA in terms of service delivery.</p> <p>Expenditure under Current payments is at 60.6% and for Payments for capital assets at 28.4%.</p> <p>REASON: The slow vetting of service providers.</p>	<p>the main function of the IPID</p> <p>What is the impact of stated reason on the entire service delivery because this Programme is the main function of the IPID?</p> <p>What is being done to fast-track vetting of the service providers.</p>
<p>Programme 3: Information Management and Research</p> <p>This programme spent R2.8 million, which is 16.5% of its allocation by 30 June 2011. The expenditure trend on this programme is slightly above that of the previous year where 11.7% was spent at end of June 2010.</p> <p>REASON: Most</p>	<p>Programme 3: Information Management and Research</p> <p>This programme spent R8 million, which is 45.7% of its allocation by 30 September 2011. The expenditure trend on this programme is higher than for the same period in 2010/11 where 26.3% was spent at end of September 2010. The expenditure is lower than the projected drawings of</p>	<p>Programme 3: Information Management and Research</p> <p>This programme spent R11.6 million, which is 61.1% of its allocation by 31 December 2011. The expenditure trend on this programme is higher than for the same period in 2010/11 where 53.3% was spent at end of December 2010. The expenditure is slightly lower than the projected drawings of</p>	<p>Comments</p> <p>While it is commendable that spending in this programme has improved in comparison to the previous year, there is still low spending by the end of the 3rd quarter.</p>



<p>activities of this programme occurring in the second semester of the year, particularly in the last quarter.</p> <p>The spending under Current Payments is quite low at 16.8% which is mostly influenced by the low spending of 11.5% on Goods and services. Machinery and equipment expenditure is also very low at 9.9%.</p>	<p>47.4% for the reported period.</p> <p>The spending under Current payments is at 46.5%. Machinery and equipment expenditure is also low at 30.9%.</p> <p>REASON: Spending that will occur in the last half of the financial year.</p>	<p>of 77.6% for the reported period.</p> <p>The spending under Current payments is at 62%. Machinery and equipment expenditure is also low at 40.8%.</p> <p>REASON: Service providers providing incorrect specifications for quotes.</p>	
<p>Cash flow analysis: Expenditure was below the department's expenditure plans between April and June 2011. The lowest spending occurred in April 2011 with a deviation of R7.176 million from the approved drawings and the deviation for June was R1.814 million.</p>	<p>Cash flow analysis: Expenditure was below the department's expenditure plans between April and September 2011. The lowest spending occurred in April 2011 with a deviation of R7.176 million followed by July which had a deviation of R5.1 million from the approved drawings. Expenditure during September improved when actual expenditure exceeded the approved drawings by R1.8 million.</p>	<p>Cash flow analysis: The PMG balance for December is R1.6 million due to the withholding of lease payments due to disputes with DPW as well as new posts that have been advertised.</p>	<p>The budget expenditure on all three quarters is below the department's expenditure plan. Why is that?</p>
<p>Suspense account analysis An amount of</p>	<p>Suspense account analysis At the beginning of the</p>	<p>Suspense account analysis At the beginning of the</p>	



<p>R647 000 was moved from the suspense account to its respective programmes during May 2011.</p>	<p>financial year the suspense account had a balance of R647 000. Total movements of R4 000 has occurred resulting to a balance of R643 000 at the end of September 2011.</p>	<p>financial year the suspense account had a balance of R647 000. Total movements of R76 000 has occurred resulting to a balance of R571 000 at the end of December 2011.</p>	
<p>Spending on Identified Items</p> <p>Although overall expenditure for Goods and services is low (10.8%) for the first quarter, expenditure on Consultants and professional services is relatively high at 40.1% whilst the expenditure for Lease payments is comparatively low at 1.1%.</p>	<p>Spending on Identified Items</p> <p>The overall expenditure for Goods and services is low (38%) for the second quarter, which is a deviation of 11.9% from the projected drawings.</p> <p>REASON: Challenges with the BAS system which impacted negatively on spending.</p> <p>Expenditure on Consultants and professional service: Business and advisory service is high at 83.9%, whilst the expenditure for Lease payments is comparatively low at 18.6% of a budget.</p> <p>REASON: The high spending on Consultants and professional service: Business and advisory service is due to increases in the number</p>	<p>Spending on Identified Items</p> <p>The overall expenditure for Goods and services is low (55.7%) for the third quarter, which is a deviation of 20.4% from the projected drawings. Lease payments are comparatively low at 34.8% of the budget.</p> <p>REASON: Lease disputes with DPW which has resulted in delays in lease payment as the ICD is awaiting legal advice on the matter.</p> <p>There is high spending on Consultants and professional service: Business and advisory service for editing of the Domestic Violence Act (1999), realigning of SMS performance agreements and the drafting of regulations of the Independent Police Investigative Directorate.</p> <p>Spending for Fleet services is at 166.4% due travel costs associated with</p>	<p>There is an overall high expenditure on consultants and professional services.</p> <p>What is Directorate do to limit the utilisation of consultant and</p>



	<p>audit committee members and the use of consultants for the preparation and completion of the audit report and Domestic Violence Act report.</p> <p>Advertising and Communication expenditure is low at 14.6% and 34.6% respectively. These spending items are subsequently being addressed with the ICD.</p>	<p>investigation of cases against Police members.</p>	<p>professional services?</p>
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6. IMPLICATIONS OF THE STATE OF THE NATION ADDRESS ON IPID

The 2012 State of the Nation have three main points of arguments that have implication on the functioning of the IPID. They are as follows:

- **Fight against corruption:** The new IPID Act (2011) gives the directorate a mandate to investigate corruption matters within the police initiated by the Executive Director, or after the receipt of a complaint from member of the public or referred to it or referred to the directorate by the Minister, a Member of the Executive Council in the provinces, or the Secretary for the police service. This mandate makes IPID one of the role-players in corruption fighting in the SAPS and municipal police services.
- **Job creation:** The IPID had 20 vacancies in September 2011; this will increase to 243 vacancies in 2012 after the implementation of the new organisational structure as the result of the new Act.
- **Infrastructure development:** The IPID will have to move away from leasing all the buildings that they are using for offices and other operational issues. They will have to build some of their offices. Building their offices will prevent situations such as that of the Struktura building.⁴This will contribute to infrastructure development and also add to job creation.

Comments/Questions

- Since IPID will be the major role player in fight against corruption in the SAPS and municipal police services, what measures are in place to prevent corruption in policing environment? What will be done to ensure that corruption related cases are finalised on time?

⁴IPID Lease Agreements Report 2012



- The 2012 ENE indicates that there were 20 vacant post in the IPID, are all these posts funded, if so, what is the status regarding the filling of these posts?
- Does IPID have a plan on how to move away from leasing buildings to building theirs?

7. 2012/13 BUDGET ANALYSIS

7.1. General analysis

The 2012/13 ENE provides for a budget allocation of R196. 961million to IPID. This is the nominal increase of R43.6 million and R32.6 in real rands. The increase is 21.25%.

Table 2

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % Change
	2011/12	2012/13	2013/14	2014/15				
R million								
Administration	73.4	92.9	100.3	108.9	19.5	14.3	26.57%	19.52%
Investigation and Information Management	78.4	98.8	109.4	117.8	20.4	14.9	26.02%	19.00%
Legal Services	1.7	5.4	5.6	5.9	3.7	3.4	217.65%	199.95%
TOTAL	153.5	197.1	215.3	232.6	43.6	32.6	28.40%	21.25%

Source: 2012 ENE – Vote 23 IPID

The table above indicates that IPID as it appears in Vote 23 of the 2012 ENE has three Programmes.

The first one is Administration and its purpose is to provide leadership, management and support services to the IPID. It has a budget allocation of R92.9 million and it has the second highest allocation in the whole Directorate. This allocation has a real percentage change of 19.52 compare to the 2011/12 budget.

The second Programme is Investigative and Information Management which is tasked with coordinating and facilitating the IPID's processes, and develops policy and strategic frameworks that guide investigations. This Programme has the biggest budget in the entire Directorate that is R98.8 million. The difference between the 2011/2012 allocated budget with that of 2012/13 is R14.9 million real rand change. This is 19.00% increase from the previous budget.



The last Programme is Legal Services which is aimed at providing investigation advisory services, legal and litigation support. This Programme is allocated R5.4 million. This Programme did not exist in the previous year. It will come into existence with legislative change which comes into effect on the 1 of April 2012.

Expenditure trends over the MTEF: The spending focus over the MTEF period will be on increasing the capacity of the Directorate in line with its new mandate as informed by provisions of the IPID Act (2011). According to ICD's 2011/12 Annual Performance Plan the new IPID will provide new civilian oversight where focus will be on the investigation of specified serious crimes committed by members of the SAPS and the municipal police service⁵. Other priorities in the oncoming year include:

- Reporting and monitoring recommendations that are made in respect of members of the SAPS and municipal police services.
- Improve reporting and accountability practices.
- Develop policy, reporting frameworks and standard operating procedures to regulate investigations.

Expenditure increased from R99.3million in 2008/9 to R153.5 million in 2011/12, at an average annual rate of 15.6%. This increase was to provide for the increased activities in relation to the drafting of the IPID Act (2011), expanding office accommodation, and enhancing capacity in support services to give effect to legislative frameworks, segregation of duties and good governance.

Over the medium term, expenditure is expected to grow to R232.6 million, at an average annual rate of 14.9%, due to the enhancing of capacity in support services and enhanced investigative capacity and access to the directorate's services.

Additional allocations: The 2012 Budget sets out additional allocations of R36 million in 2012/13, R45 million in 2013/14 and R52.1 million in 2014/15 to provide for salary adjustments and the implementation of IPID Act (2011).

Personnel information: As at 30 September 2011, the Directorate had an establishment of 292 posts. The number of filled posts grew from 253 in 2008/09 to 272 in 2011/12 due to the establishment of additional satellite offices and the strengthening of the finance and internal audit components. Over the MTEF period, posts are expected to increase to 515 after the implementation of the new organisational structure.

There were 20 vacancies by 30 September 2011. Most of these were in the Administration programme in the national office at the chief director, director and deputy director level. These vacancies are due to high staff turnover and a delay in the recruitment process, which

⁵ICD APP 2011



could only begin after job evaluations were complete and approved by the Executive authority.

In 2012/13 the number of posts is expected to increase from 292 to 349. These include:

- 26 additional posts in Administration (from 105 to 131)
- 31 additional posts in Investigation and Information Management (from 161 to 192)
- 20 additional posts in Legal Services (from 6 to 26)

Training: Expenditure on training as a percentage of compensation will increase from 1.1% in 2011/12 to 1.7% in 2012/13.

Consultants: The ENE provides some detail on expenditure for consultants. A total of R921 thousand was spent on consultants in 2010/11. These included:

- R34 000 for audit committee
- R358 000 for competency assessments and evaluation reports for senior managers; editing the Domestic Violence Act and annual reports; drafting a monthly report template; realigning performance agreements of senior managers; advising on the policy on incapacity leave and ill health retirement capacitation fee.
- R40 000 for drafting IPID regulations
- R18 000 to transcribe and translate regulations.
- R471 thousand for legal services provided in labour related matters.

Satellite offices:

In addition to the nine provincial offices there are six satellite offices located in:

Empangeni (KZN)

Mthatha (Eastern Cape)

Rustenburg (North West)

Thohoyandou (Limpopo)

Bethlehem (Free State)

Upington (Northern Cape)

According to the 2012-2017 Strategic Plan funds were allocated to establish a seventh satellite office in George (Western Cape) in 2011/12. In 2012/13 an satellite station will be established in Pretoria (Gauteng).

Questions

- What is the status regarding the filling of the vacant 20 posts? Explain which posts have been affected by these delays and how this has affected service delivery.
 - Are the additional 57 posts that have been budgeted for in 2012/13 sufficient for effective implementation of the IPID Act?
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- One of the medium term priorities highlighted in the ENE is the establishment of satellite offices to increase accessibility. Was the George satellite office opened during 2011/12? Why is a satellite office to be opened in 2012/13 in Pretoria (which is where the current Head Office resides)? How will the opening of a satellite office in Pretoria facilitate greater public awareness and accessibility, particularly in rural areas? What was the motivation for this decision?

7.2. Programme Analysis

7.2.1. Programme 1: Administration

Administration has a budget allocation of R92.9 million which is a real percentage increase of 19.52% compared to the 2011/12 budget.

The following table indicates the budget allocation for sub-programmes that falls under Administration.

Table 2

Programme	Budget		Nominal Increase/Decrease in 2012/13	Real Increase/Decrease in 2012/13	Nominal % change in 2012/13	Real % Change in 2012/13
	2011/12	2012/13				
R million						
Department Management	2.7	5.4	2.7	2.4	100%	88.86%
Corporate Services	46.1	57.9	11.8	8.6	25.60%	18.60%
Office Accommodation	8.6	9.1	0.5	0.0	5.81%	-0.08%
Internal Audit	4.0	4.2	0.2	0.0	5.00%	-0.85%
Financial Administration	12.0	16.3	4.3	3.4	35.83%	28.27%
TOTAL	73.4	92.9	19.5	14.3	26.6%	19.52%

Source: 2012 ENE – Vote 23 IPID

Corporate services sub-programme has the highest budget allocation in the sub-programme of R57.852 million. This programme has increased by 18% in real terms in comparison to the previous year. The Financial Administration sub-programme is the second largest sub-programme and receives R16.339 million which is an increase of 28% in real terms. The smallest sub-programme: Department Management, receives only R5.4 million but this is a real increase of 88%.



Major increase under Economic classification: Current payments at Goods and services which is R55.021 million from R42.092 million in 2011/12 budget. This is followed by Compensation of employees is R36.594 as compared to R29.579 million in the previous year.

In terms of specific line items large increases are apparent in:

- Computer services (R3.268 million from R1.699 million in 2011/12)
- Lease payments (R28,164 million in comparison to R15.139 in 2011/12)

There is a slight decrease in budget allocation for Payments for capital assets (Machinery and equipment) of R1 140 million compared to R1.673 million in the previous financial year.

Questions:

- Explain the distribution of the 26 additional posts in this Programme.
- Explain the reason for the 88% increase in Department Management.
- Explain the increases in computer services.
- Explain the increases in Lease payments? According to the ENE these are as a result of 'adjustments to reflect actual expenditure, the expansion of the directorate's existing facilities and the opening of new satellite offices'. Explain these comments. Which existing facilities will be expanded? How many new satellites will be opened in 2012/13 and where?
- It is stated that the establishment of satellite offices to increase accessibility is a key priority over the MTEF. Why are these not included as targets in the APP?

7.2.2. Programme 2: Investigation and Information Management

This Programme has the largest budget in the Directorate of R98.8 million. The difference between the 2011/2012 allocated budget with that of 2012/13 is R14.9 million real rand change. This is 19.00% increase from the previous year.

The following table indicates the budget allocation for sub-programmes under Investigation and Information Management.

Table 3

Programme	Budget		Nominal Increase/Decrease in 2012/13	Real Increase/Decrease in 2012/13	Nominal % change in 2012/13	Real % Change in 2012/13
	2011/12	2012/13				
R million						



Investigation Management	65.1	87.6	22.5	17.6	34.56%	27.07%
Information Management	13.3	8.5	-4.8	-5.3	-36.09%	-39.65%
Policy Development and Provincial Coordination	0.0	2.6	2.6	2.5	-	-
TOTAL	78.4	98.8	20.4	14.9	26.0%	19.00%

Source: 2012 ENE – Vote 23 IPID

There is an increase in the budget allocated for Investigation Management of 27% which receives a budget of R87. 596 million when compared to R65. 112 million in the previous financial year. The allocation for Information Management is R8. 516 million which is less than the previous year's allocation of R13. 301 million (a decrease of 39.65%). The Policy Development and Provincial Coordination sub-programme is a new sub-programme and receives an allocation of R2.6 million. It is responsible for developing investigation policy and coordinating strategic planning.

Under Economic classification: Current payments, Compensation of employees is allocated R53. 679 million (increasing slightly from R50.9 million in 2011/12). The largest increase in budget allocation is for Goods and services which increases from R25 575 in 2011/12 to R40. 468 in 2012/13. In terms of specific line items large increases are apparent in:

- Assets less than the capitalisation threshold (R1.65 million in comparison to R838 thousand in 2011/12)
- Communication (R4.815 million in comparison to R2.501 million in 2011/12)
- Computer services (R5.141 million in comparison to R2.924 million in 2011/12)
- Consultants and professional services: Legal costs (R824 thousand in comparison to R411 thousand in 2011/12)
- Fleet services (R3.554 million in comparison to R1.761 million in 2011/12)
- Lease payments (R2.078 million in comparison to R1.222 million in 2011/12)
- Property payments (R3.646 million in comparison to R1.875 million in 2011/12)

Under Capital assets, Machinery and equipment increases from R1.921 million in 2011/12 to R 4.608 million in 2012/13.

Questions:

- How many staff will reside in the Policy Development and Provincial Coordination sub-programme? Explain the motivation for the establishment of this sub-programme.



- The current staff complement of Investigation Management is 126 employees. How many of these are investigators? Of the 31 new employees that will be hired in 2012/13, how many of these will be investigators? Will there be sufficient investigators in 2012/13 to ensure that the IPID can fulfil its new mandate effectively? The increase in Compensation of employees is small in comparison to the increase in Goods and services. Explain.
- Explain the increase in Machinery and equipment.
- Explain reasons for each of the substantial increases (most of which are almost 50% increases in the various line items highlighted above including Consultants and Lease payments).

6.2.3. Programme 3: Legal Services

Legal Services is a new programme aimed at providing investigation advisory services, legal and litigation support. This Programme is allocated R5.4 million. The Legal Support sub-programme currently has a staff complement of 4 persons and a budget of R1.7 million in 2011/12. The Investigation Advisory Support sub-programme will be newly established in 2012/13 and will consist of two persons.

The following table indicates the budget allocated for sub-programmes under Legal Services.

Table 4

Programme	Budget		Nominal Increase/Decrease in 2012/13	Real Increase/Decrease in 2012/13	Nominal % change in 2012/13	Real % Change in 2012/13
	2011/12	2012/13				
R million						
Legal Support	1.7	1.3	-0.4	-0.5	-23.53%	-27.79%
Investigation Advisory Support	0.0	4.1	4.1	3.9	-	-
TOTAL	1.7	5.4	3.7	3.4	217.6%	199.95%

Source: 2012 ENE – Vote 23 IPID

The biggest budget allocation in this programme goes to Investigation Advisory Services of R4.064 million. This is the new sub-directorate. R1.292 million is allocated to Legal Support. There is a significant decrease in comparison with last year's budget allocation which was R1.690 million due to establishment of this new sub-programme

It can be noted that while there is an increase in this programme of from R951 thousand to R4.892 million for Compensation of employees the allocation for Goods and services will actually decrease from R585 thousand in 2011/12 to R436 thousand in 2012/13.



Questions:

- There is a line item under Programme 2 for Consultants and professional services: Legal costs of R824 thousand. Explain this line item (which increased by over 50% in this budget in comparison to the
- previous year) in the light of this Legal Service programme. How will the two functions differ?

8. CONCLUSION

The following are the key areas of concern regarding 2012/13 Annual Performance Plan and 2012/13 Budget analysis of IPID:

- The number of vacant posts needs to be filled to ensure the proper functioning of the new directorate that comes into effect on the 1st of April 2012.
 - The portfolio committee should monitor the determining of baselines especially on sub-programme that has already allocated budget.
 - The budget expenditure on all three quarters is below the department's expenditure plan. The directorate should try to address this because under-spending has an adverse result on service delivery.
 - As part of their accessibility, the directorate promised the portfolio committee that they will increase the number of their satellite offices. This was never mentioned in their performance plan for 2012/13. The portfolio committee should therefore monitor developments regarding such increase.
 - The portfolio committee should also monitor the conducting of public awareness programmes/campaigns. This will ensure interaction between the directorate and the community assisting them to be able to receive information on the conduct of police units.
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