



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

PRESENTATION TO SELECT COMMITTEE

2010/11 ANNUAL REPORT

2012 May 02

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Part A – Performance Information

■ Performance 2010/11 - mix of achievements & challenges

■ Achievements mainly on participation of inmates in Development Programmes - partly as result of partnerships the department has with stakeholders

■ 2010/11 financial year - concentrate resources on improved compliance & governance, improved centre level service delivery on core mandates, promoting corrections as societal responsibility & building internal capacity for centre level service delivery

■ Overcrowding levels reduced by 5.75% from 40.62% in 2009/10 financial year to 34.87% in 2010/11 financial year - multi- pronged overcrowding strategy, diversion options, additional bed spaces

■ Challenges - constraints in human resources, inadequate staffing levels for shift system, loss of scarce skills

■ Downward trend to security breaches not sustained - inadequate compliance with security policy, inadequate attention to security as priority service

Note: Strategic Plan 2010/11 distinguished between Regulatory & Monitoring Strategy (responsibilities of National Office) and Operations Strategy (responsibilities of Regions)

In order to comply with the guidelines for compiling Annual Reports, department included following note in Annual Report:

“Where format of target in Strategic Plan is not aligned to format of Performance Indicator in Strategic Plan, department has reported both in format of Strategic Plan target & in format of Performance Indicator”

This is also to ensure alignment between Strategic Plan & Annual Report

PROGRAMME PERFORMANCE

Administration

Finance

- 2010/11 under expenditure. Actual expenditure 95.3%. 2009/10 expenditure was 98.9% - Decline in expenditure
- Increase in contracts to HDIs from 1 310 in 2009/10 to 2 135 in 2010/11
- Qualifications for 2009/10 & 2010/11 on movable tangible assets
- Matters of emphasis – unauthorised expenditure
- Corrective measures developed by means of action plan that is monitored on monthly basis

Corporate Services

- Vacancy rate in 2009/10 was 12.6% on establishment of 46 880
- 2010/11 financial year: Approved Establishment : 47 336 – Vacancy rate of 15.28% - Funded Establishment : 41 500 – Vacancy rate of 3.4%
- 421 out of 771 grievances finalised (208 of 421 finalised within 30 days = 49.4% compliance)
- 462 suspensions – average period of suspension = 52.5 days at cost of R 13 953 973.56
- Following focus areas indicated in 2011/12 APP to improve services in corporate services environment:
 - Filling of all funded vacant posts
 - Finalization of function & structure alignment
 - Finalization of all outstanding grievances longer than 30 days
 - Review of shift system

Central Services

- Litigation cases – functioned at 5.56% above set target – 153 cases in favour of DCS & 47 cases against DCS
- Fraud & Corruption : Departmental Investigation Unit (DIU) – Success rate of disciplinary matters – 91.26% (Target was 90%)
- Remand Detention Offender Management System (RDOMS) behind schedule & will be stopped so that application platform rationalisation can be done
- Newly created Branch ACSA & SADC - focus on formalised regional, continental & international partnerships
- Southern African Corrections Forum launched - serve as vehicle to promote transformation & harmonisation of corrections & prisons in region
- Participated in Inter-State Defence & Security Committee (ISDSC) meeting in Maputo - progress on staffing of SADC Secretariat & Interstate Transfer of Prisoners discussed

Central Services cont'd

- Various bi-laterals within SADC to discuss areas of cooperation
- To improve services within Information Communications area, current APP highlights following areas:
 - 100% Readiness of Virtual Private Network
 - New network, consolidated servers & automated security policies
- Communication - approval & execution of Integrated Communication & Marketing Strategy envisaged

Management

■ Head Office & all Regions subjected to Compliance Improvement Inspection:

- Head Office overall performance improved from 80% to 82%
- Regions overall performance declined from 83% to 81%

Security

■ 2009/10 : 2 240 alleged assaults (137.7 assaults per 10 000 inmates) & 2010/11 : 5 043 assaults (317 assaults per 10 000 inmates). 2010/11 financial year experienced increase of 2 803 assaults

■ Department identified problem of under reporting in previous years. Process of addressing this started through various interventions that include development of data capturing tool which can partially explain the increase in number of reported alleged assaults

■ 2009/10 : 56 escapes (3.5 escapes per 10 000 inmates). 2010/11 : 106 escapes (6.65 escapes per 10 000 inmates). Increase attributed to:

- Mass escapes
- Negligence & non-adherence to security procedures

■ 2009/10 : 50 unnatural deaths (3.1 unnatural deaths per 10 000 inmates) 2010/11 : 51 unnatural deaths (3.2 unnatural deaths per 10 000 inmates). Suicides remain a challenge faced by department in relation to unnatural deaths

- Ongoing processes to tighten up security measures & control by managers in order to address issue of escapes & assaults
- Strategies to deal with suicides being reviewed in 2011/12 financial year
- In 2011/12 Annual Performance Plan (APP) department indicated inter alia following interventions to address issue of security:
 - Appointment of Chief Security Officer
 - Gang management strategy & approval of gang management unit
 - Turnstiles in 78 out of intended 84 Correctional Centres
 - Development & approval of security technology strategy
 - Approved electronic inmate tracking system
 - Specifications for body scanning equipment developed & approved
 - Partnership with Department of Home Affairs to have access to Automated Fingerprinting Information System for inmate identification
 - Approval of revised security policy procedures

Corrections

- Overcrowding from 42.03% to 38% in 2009/10 & from 38% to 34.87% in 2010/11. Collaboration within CJS & implementation of multi-pronged overcrowding strategy
- 2009/10 percentage of offenders participating in corrections programmes was exceeded by 7.88%. 2010/11 161% improvement. 2010/11 figures include programmes provided by external service providers while 2009/10 did not
- 2009/10 draft policy on remand detention developed. 2010/11 Chapter 5 of Correctional Services Act amended to accommodate all provisions for remand detention
- White Paper on Remand Detention - Policy document approved by Cabinet in 2010/11
- 2009/10 reported 25 324 newly admitted offenders had Correctional Sentence Plans compiled against target of 11 000. 2010/11 figure 19 964 against target of 21 804 (91%)

- In 2011/12 APP department highlighted following matters to ensure improved service delivery within corrections environment:
 - 100% of newly admitted offenders with sentences longer than 24 months to have comprehensive profiles
 - Focus on offenders who have completed correctional programmes & not so much on participation
 - Approval of offender labour policy
 - Finalization & approval of Interstate Protocol on transfers of offenders
 - Identification of dedicated facilities to house offenders with sentences less than 24months
 - Promotion of bail protocol
 - Approval of regulations relating to remand detainees
 - Approval of operational classification system for remand detainees
 - Rationalization of Correctional Centres
 - Maximised utilization of land allocated to DCS

Care

- 2009/10 financial year 7 640 offenders on anti-retroviral treatment. 2010/11 financial year 8 091 offenders on anti-retroviral treatment against target of 10 150 - figures for inmates with CD4 count of below 350 (200). 2010/11 financial year indicates increase in number of offenders who had access to anti-retroviral treatment
- 2009/10 financial year 10 730 inmates tested HIV positive against target of 47 011. 2010/11 was 10 226 against 53 361. Marginal decline in number of offenders tested HIV positive in 2010/11 financial year
- Training conducted in Regions for Health Care & Nutritional Officials on approved Procedure Manuals – preparation for implementing approved Policy Procedures
- Vacancy Rate in scarce skills: Social workers: 38.28%; Psychologists: 50.86%; Nurses: 26.23%; Medical Practitioners: 26.67%; Pharmacists: 37.25%
- Partnerships with relevant stakeholders - improvement in offender participation in Care programmes presented by external service providers
- 1 331 214 condoms distributed
- 2011/12 APP indicates particular focus on investigating functioning of food service units

Development

- Decrease in number of offenders participating in literacy programmes from 4835 in 2009/10 to 4 389 in 2010/11
- Participation in ABET showed increase from 10 309 in 2009/10 to 12 051 in 2010/11
- Participation in FET also showed increase from 3445 to 4 844 in same period
- Dramatic decrease in participation in Skills Development from 78 282 in 2009/10 to 5 035. Decline due to refining reporting in Skills Development to ensure that double counting does not take place
- Decrease in participation in Sports, Recreation, Arts & Culture from 81.5% in 2009/10 to 77.4% in 2010/11
- Target of involving offenders in activities in production workshops not achieved due to 118 vacant artisan posts
- Target in involving offenders in agricultural activities not achieved & in main attributed to 2 X 12 hour shift system
- In 2011/12 APP focused attention is paid to involvement of youth in education

Social Reintegration

- Decrease in parole violations in 2010/11. Figure for 2010/11 was 3 050 violations per 10 000 parolees. Figure for 2009/10 was 9 757
- 2009/10 : 0.04% cases were referred to parole review board. 2010/11 figure increased to 0.11%
- 2009/10 : 83 victims made representations during parole hearings. Figure for 2010/11 was 253 victims. Although figure still low, vast improvement from previous financial year. One of main challenges in this regard remain difficulty to locate victims
- 2011/12 APP highlights interventions that will further improve services related to social reintegration viz.: increase probationers under community corrections; electronic monitoring system for parolees & probationers; establishment of Medical Advisory Board, Framework for halfway houses

Facilities

■ In 2009/10 total number of 2880 new bed spaces were created through completion of Kimberley Correctional Facility. In 2010/11 no new bed spaces were created. However, number of projects were under way:

- Brandvlei – 98% completed for phase 1 – upon completion 346 additional beds
- Vanrhynsdorp – 74% completed - upon completion 328 additional beds
- Warmbokkeveld – 63% completed - upon completion 282 additional beds
- Tzaneen – 25% completed – upon completion 451 additional beds in 2013

■ In 2011/12 APP it is indicated that Brandvlei, Vanrhynsdorp & Warmbokkeveld (Ceres) projects will be completed in 2011/12 financial year

Findings on Performance Information

- Adverse opinion for second year
- Variance between planned & actual reported targets
- No logical link between reported objectives, indicators & targets
- Planned & reported targets are not SMART
- Reporting cannot be substantiated – no file of evidence
- No cohesion between performance information reported by Heads of Correctional Centres, Area Commissioners & Regional Offices
- Inconsistency in reporting against indicator
- Reasons for major variance not provided
- Inability to provide file of evidence/source documents

Findings on Performance Information – DCS's Response

- Action plan developed to address issues raised by AGSA
- Logic Model for DCS reviewed & refined
- Diagnostic report by Technical Assistance Unit form part of ongoing interventions (report is available)
- Publication of Technical Indicator Description is contributing towards improved reporting on indicators
- Quarterly Management Performance Review meetings implemented
- Refining data capturing tools – standardisation in collecting data & availing file of evidence

Findings on Performance Information – DCS's Response

- Monitoring, Evaluation & Reporting Policy developed & due for finalisation by end of October 2011
- Implementation of regional information sessions on management of performance information - Gauteng session completed in August 2011
- Proposals to be tabled for capacity building in dealing with performance information – particular at centre level
- Cooperation between Finance & OMS aimed at improving compliance & quality of reporting

■ Way Forward

- 2012/13 – Alignment of planning, resourcing & reporting processes
- Revised Logic model will provide basis for refining indicators & improve management of performance information
- Strengthen capacity, particularly at centre level, for performance management
- Review of Monitoring, Evaluation & Reporting policy will enhance internal controls

PART B – FINANCIAL INFORMATION AND AUDIT REPORT

NATIONAL STATE OF EXPENDITURE: 2010/11 FINANCIAL YEAR

	R'000
Budget allocation	15,427,465
Less: Expenditure	14,698,843
Total amount under-spent	728,622
Percentage spent	95.28%

ANALYSIS OF NATIONAL STATE OF EXPENDITURE PER PROGRAMME

- The final overall expenditure for the year of the Department as at 31 March 2011 was R14.699 billion (95.28%) against the annual budget of R15.427 billion resulting in R729 million (4.72% of allocation) [under-spending] against the annual budget
- Factors that contributed to the under-spending per programme are as follows:
- The actual spending of R4.076 billion (94.46%) (under-spending) against the annual budget of R4.315 billion under the **Programme Administration** was mainly on Compensation of Employees for the advertised posts that were not filled, on Goods and Services for SITA accounts because of invoices that were not processed due to late deliveries and the MISP contracts that were not signed

ANALYSIS OF NATIONAL STATE OF EXPENDITURE PER PROGRAMME (Cont..)

- The actual spending of R4.988 billion (97.03%) (under-spending) against the annual budget of R5.141 billion under the **Programme Security** was mainly on Compensation of Employees because of the advertised posts that were not filled.
- The actual spending of R1.682 billion (95.98%) (under-spending) against the annual budget of R1.753 billion under the **Programme Care** was mainly on Compensation of Employees because of the advertised posts that were not filled yet and the outstanding OSD for psychologists.
- The actual spending of R524 million (97.86%) (under-spending) against the annual budget of R535 million under the **Programme Development** was mainly on Goods and Services because of low spending on agricultural materials due to most bids that did not meet the required specifications

ANALYSIS OF NATIONAL STATE OF EXPENDITURE PER PROGRAMME (Cont..)

- The actual spending of R1.498 billion (85.46%) (under-spending) against the annual budget of R1.753 billion under the **Programme Facilities** was mainly due to delays in construction of Brandvlei and Van Rhynsdorp prisons, delays by DPW in appointing consultants and implementation of projects. A rollover of R253 million was requested and approved on condition of improved expenditure during 2011/12

ANALYSIS OF NATIONAL STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION

- The actual spending of R9.507 billion (96.30%) (under-spending) against the annual budget of R9.872 billion on **Compensation of Employees** was mainly due to vacancies which the department did not fill, OSD for psychologists, natural attrition and savings on merit awards,
- The actual spending of R4.012 billion (97.56%) (under-spending) against the annual budget of R4.112 billion under **Goods & Services** is mainly due to SITA accounts as invoices were not processed for payment (SITA budget was R217 million, expenditure was R 132 million) because of late deliveries.
- The actual spending of R1.111 billion (80.87%) (under-spending) against the annual budget of R1.373 billion on **Payments for Capital Assets** was mainly due to the low billing from the Department of Public Works for capital works projects that were not completed, delays in appointing consultants and project implementation.

STATE OF EXPENDITURE PER PROGRAMME

Programme	Budget R'000	Actual exp to date R'000	% Spent	Variance R'000
Administration	4,314,780	4,075,865	94.46%	238,915
Security	5,141,180	4,988,233	97.03%	152,947
Corrections	1,416,838	1,416,838	100.00%	0
Care	1,752,711	1,682,259	95.98%	70,452
Development	535,327	523,849	97.86%	11,478
Social reintergration	513,961	513,961	100.00%	0
Facilities	1,752,668	1,497,838	85.46%	254,830
Total	15,427,465	14,698,843	95.28%	728,622

STATE OF EXPENDITURE PER ECONOMIC CLASSIFICATION

GFS Classification	Budget R'000	Actual exp to date R'000	% Spent	Variance R'000
Compensation of Employees	9,872,266	9,506,662	96.30%	365,604
Goods & Services	4,112,014	4,011,774	97.56%	100,240
Thefts and losses	5,273	5,273	100.00%	0
Interst & Rent on land	0	0	0.00%	0
Transfers & Subsidies	64,541	64,541	100.00%	0
Payment of Capital Assets	1,373,371	1,110,593	80.87%	262,778
Total	15,427,465	14,698,843	95.28%	728,622

AGSA - AUDIT REPORT 2010/11

- In 2009/10 the Department was qualified on Asset Management due to the following:
 - Opening balances of assets
 - Existence of assets
 - Valuation of assets
 - Misclassification of assets
- There was a significant improvement in resolving the deficiencies reported by AGSA in the 2009/10 Audit Report

BASIS FOR QUALIFICATION

- The Department received a qualified audit opinion on the basis of:
 - Non-cash additions overstated by internal transfers of movable tangible capital assets between departmental stores
 - Non-cash disposals overstated by internal transfers of movable tangible capital assets between departmental stores

BASIS FOR QUALIFICATION (Cont...)

■ ***Actions taken:***

- Department consulted National Treasury to amend the following:
- LOGIS, as the deficiency was as a result of LOGIS being unable to account for internal transfers separately
- Annual Financial Statements Framework on classification of non-cash additions and non-cash disposals to include inter-stores transfers
- The Department improved and implemented the following system of internal controls with effect from April 2011:
- A template was designed to account for non-cash additions and non-cash disposals to compensate for the deficiency of LOGIS
- Monthly reconciliation of inter-stores non-cash additions and non-cash disposals from April 2011 to March 2012
- Inter-store transfers have been suspended with effect from 8 September 2011

BASIS FOR QUALIFICATION (Cont...)

■ *Results of action taken by Department:*

- National Treasury has developed a report LOGIS to properly account for internal transfers separately. The report will be utilised together with the internally developed template
- National Treasury has amended the classification of non-cash additions and disposals in the AFS Framework
- Department is continuing with asset reconciliation, there is improvement in accounting for non-cash additions and non-cash disposals with implementation of compensating controls of standardised template

EMPHASIS OF MATTERS

■ The following were raised as Emphasis of matters:

■ ***Unauthorised Expenditure***

- The department had unauthorised expenditure amounting to R483.821 million incurred in 2008/09 financial year. There was engagement with SCOPA on this matter on the 17 August 2011, SCOPA recommended to Parliament that the Unauthorised Expenditure be funded through savings from the Department's budget
- The matter was subsequently adopted by National Assembly on the 08th November 2011
- The R483.821 million was included in the 2012 Finance Bill which was assented to by the President on 2012 March 22
- The Department has processed the R483.821 million against the 2011/12 under expenditure

EMPHASIS OF MATTERS (Cont...)

■ **Material Losses**

- The Department during 2010/11 incurred material losses amounting R3.387 million, allocated as follows:
- Damage to state vehicles is R2.922 million (losses written-off during 2010/11 financial year after finalising investigations)
- Other claims amount to R465 thousand (claims paid during 2010/11 after finalising investigations)
- Regions are reporting monthly to the CFO on progress to finalise long outstanding losses
- Department has reviewed the processes followed in handling losses and internal controls for more efficiency and effectiveness
- Regional Heads of Finance & Supply Chain are reporting monthly on actions taken on losses

EMPHASIS OF MATTERS (Cont...)

■ *Material under-spending of the budget*

- Department materially under-spent its total budget (vote) by R728.622 million
- The under-spending was due to the following:
- Vacant posts not filled timely
- Delay in finalising the Service Level Agreement (SLA) with SITA for IT projects
- Slow progress and poor workmanship by DPW contractors, delays in tender processes and appointing of contractors by DPW

EMPHASIS OF MATTERS (Cont...)

■ ***Actions taken:***

- All SLAs with SITA have been signed
- SMS vacant posts filled and absorption of learners who successfully completed learnership
- The Department is in continuous engagement with DPW in order to fast-track the implementation of capital works projects
- Intervention was sought at Portfolio Committee level wherein both Departments appeared before the committee on 22 February 2012
- There was also intervention to utilise Independent Development Trust (IDT) and a Memorandum of Agreement was signed 10 October 2011 to complement the capacity of DPW in implementing infrastructure projects
- The cash flow projection of R492.960 million was initially agreed upon with IDT. The cash flow was then reviewed to R313.944 million given the time of the financial year.

EMPHASIS OF MATTERS (Cont...)

Actions taken (Cont...):

CAPITAL PROJECTS TO BE EXECUTED BY IDT

Project	Total Project Costs	Original Cash flow – 31 March 2012	Reviewed Cash flow – 31 March 2012
Intercom – Phase 1	R186.300 million	R101.740 million	R56.097 million
Security Fencing	R406.023 million	R278.680 million	R174.590 million
Perimeter Fencing	R80.408 million	R62.442 million	R34.957 million
GIAMA audit	R87 million	R50.099 million	R48.3 million
TOTAL	R759.731 million	R492.961 million	R313.944 million

CONCLUSION

- DCS has agreed with National Treasury on a Strategic Support Plan (SSP) to resolve all qualification matters and emphasis of matters
- DCS and National Treasury have signed and committed on achieving the objectives of the SSP
- To achieve and sustain the objectives of the SSP, thus far the strategy is to recruit and fill posts in Finance in DCS with people in possession of financial qualifications



■ ***THANK YOU***

■ ***STRIVING FOR A SOUTH AFRICA IN WHICH PEOPLE ARE AND FEEL SAFE***