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EXPENDITURE REPORT FOR SAPS: FOURTH QUARTER OF 2011/12

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.

In light of the above, this paper will highlight the quarterly expenditure trends of the Department of Police over the 2011/12 financial year with specific focus on the last quarter ending in March 2012 and is structured as follows:

- An overview of the expenditure for the first three quarters of the 2011/12 financial year;
- Focussed analysis of the last quarter of the 2011/12 financial year, including:
 - Comparative analysis of expenditure during the 2010/11 and 2011/12 financial years;
 - Summarised expenditure trends; and
 - Concerns and questions on departmental spending pertaining to specific items.

2. Quarterly expenditure analysis

The Department of Police consists of five programmes, these are:

- Programme 1: Administration
- Programme 2: Visible Policing
- Programme 3: Detective Services
- Programme 4: Crime Intelligence
- Programme 5: Protection and Security Services

The Department's allocation for the 2011/12 financial year was R58.5 billion¹ (Adjusted Appropriation), which translates to a 3.5 per cent real increase from the previous financial year. Programmes Administration and Visible Policing received the biggest allocation (same as previous financial year), with R20.0 billion and R24.4 billion respectively. The following section will highlight key concerns for the first three quarters of the 2011/12 financial year.

¹ The Main Appropriation for the Department of Police was R58.0 billion in the 2011/12 financial year.



2.1 Key areas of concern in the first quarter of the 2011/12 financial year ending in June 2011

- Expenditure on 'Current payments' was low at only 23.8 per cent of its budget which is slightly higher than for the same period in 2010/11 (22.8 per cent).
- The item with the largest budget within 'Goods and Services' is that of 'Computer services', which has only spent 10.9 per cent of its budget at the end of June 2011.
- Expenditure on earmarked funds for 'Payments for capital assets' was extremely low for the first quarter (9.4 per cent). The low spending is within:
 - 'Buildings and other fixed structures', which utilised 7 per cent of its allocated budget at the end of the first quarter; and
 - 'Machinery and equipment', which utilised 11 per cent of its allocated budget. It was indicated that the low spending on Machinery and equipment is due to vehicles that will only be received later in the financial year.
- The Department far exceeded its allocated funds for 'Biological assets' (training of dogs) resulting in an overspending of 639.6 per cent in the first quarter of the year. The item only received a budget of R235 000 and a once-off payment of R1.5 million was made within the first quarter.
- At the end of the first quarter only 9.1 per cent of earmarked funds for 'Construction and upgrading of police stations' were spent. This is extremely low, especially in comparison to the 2009/10 and 2010/11 years in which 31.7 and 27.1 per cent was spent for the same period.
- The expenditure on the 'Integrated Justice System (IJS)' programme is also extremely low, showing a total of 10.5 per cent spent at the end of the first quarter. However, the spending for this quarter is higher than that of the first quarter of the previous financial year, which was less than 5 per cent (2010/11).

2.2 Key areas of concern in the second quarter of the 2011/12 financial year ending in September 2011

- 'Current payments' under-utilised its allocated budget by only spending 48.8 per cent available funds.
- 'Goods and services' spent 39.7 per cent in 2011/12 which is slightly lower (41.3 per cent) than 2010/11.
- Expenditure on 'Payments for capital assets' remained extremely low and only reached 19.3 per cent at the end of the second quarter. The low spending remained within:
 - 'Buildings and other fixed structures', which used a mere 17.9 per cent of its allocated funds.



- 'Machinery and equipment', which utilised 20.1 per cent of its allocated funds.
- Expenditure on 'Machinery and equipment' also remained lower than the 50 per cent benchmark across all programmes of the department, similar to the second quarter spending of 2010/11.
- Spending on 'Computer services' was low with only 17.2 per cent spent on this item at the end of September 2011.
- 'Lease payments', which has the second largest budget within Goods and services only spent 38.2 per cent of the allocated budget at the end of the second quarter.
- Three items within Goods and services recorded high spending namely Transport: Departmental activity (131.3 per cent), Consultants and professional services: Laboratory services (100.0 per cent) and Training and development (79.7 per cent) at the end of September 2011.
- Expenditure on funds earmarked for the construction and upgrading of police stations, the IJS programme and capital projects are severely under-spent, which is a cause for concern. At the end of the second quarter (September 2011) expenditure for these are as follows:
 - Construction and upgrading of police stations: 23.5 per cent
 - Integrated Justice Systems Programme: 19.4 per cent
 - Buildings and other fixed structures: 17.9 per cent

2.3 Key areas of concern in the third quarter of the 2011/12 financial year ending in December 2011

- Expenditure on earmarked funds remained extremely low.
- The earmarked funds allocated to the 'Integrated Justice Systems (IJS)' programme had only spent 30.3 per cent of the allocated funds at the end of the third quarter.
- The expenditure on earmarked fund for 'Building and upgrading of police stations' is extremely low, as only 37.7 per cent of the allocated budget was spent by the end of the third quarter.
- Expenditure on 'Forensic Laboratory Services' was extremely low with only 48.2 per cent of the allocated funds spent at the end of the third quarter.
- Expenditure on 'Consultants: Infrastructure and planning' is extremely low. At the end of the third quarter only 2.9 per cent was spent.



2.4 Expenditure analysis of the fourth quarter of the 2011/12 financial year ending in March 2012

Table 1: Expenditure per programme and economic classification for Total Vote

SAPS Programmes	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding	% spent as at end of March 2011	% spent as at end of March 2012
1. Administration	20 372 200	19 263 922	1 108 278	98.9%	94.6%
2. Visible Policing	24 493 196	24 761 973	(268 777)	100.9%	101.1%
3. Detective Services	9 923 529	10 167 669	(244 140)	100.2%	102.5%
4. Crime Intelligence	2 194 823	2 204 989	(10 166)	100.0%	100.5%
5. Protection and Security Service	1 566 789	1 534 568	32 221	99.2%	97.9%
Total	58 550 537	57 933 121	617 416	100.0%	98.9%
Economic classification					
Current payments:	55 085 433	54 426 173	659 260	98.8%	98.8%
Compensation of employees	42 298 631	42 427 702	(129 071)	100.0%	100.3%
Goods and services	12 786 802	11 998 471	788 331	95.0%	93.8%
Transfers and subsidies:	464 622	505 466	(40 844)	114.1%	108.8%
Provinces and municipalities	25 327	29 771	(4 444)	107.4%	117.5%
Departmental agencies and accounts	24 268	26 822	(2 554)	104.7%	110.5%
Households	414 027	447 873	(33 846)	115.1%	108.2%
Payments for capital assets:	3 000 482	2 994 843	5 639	119.3%	99.8%
Buildings and other fixed structures	1 235 293	671 119	564 174	105.7%	54.3%
Machinery and equipment	1 764 954	2 322 147	(557 193)	128.5%	131.6%
Biological Assets	235	1 577	(1 342)	79.7%	671.1%
Total	58 550 537	57 933 121	617 416	100.9%	98.9%

The table above illustrates the expenditure trend for the South African Police Service up to the end of the fourth quarter of the 2011/12 financial year. According to the table the Department received an adjusted appropriation of R58.5 billion for 2011/12 and spent a total of R57.9 billion at the end of March 2012, resulting in an under-spending of R617.4 million of available funds. The R617.4 million of unspent funds is out of the ordinary for SAPS as the departmental expenditure is usually on the target of the Treasury benchmark of 100.0 per cent of allocated funds spent at the end of the year.



The 98.9 per cent spent in 2011/12 is significantly lower than the 100 per cent spent at the end of the previous financial year.

Spending patterns of note:

- The table show that 'Current payments' utilised 98.8 per cent of its budget, which is the same as what was spent in 2010/11. Spending on 'Compensation of employees' (100.3 per cent) was slightly higher than the allocated budget and the proportion spent in 2010/11. 'Goods and services' spent 93.8 per cent in 2011/12 which is slightly lower than the 95 per cent spent in 2010/11.
- Expenditure on 'Transfers and subsidies' came to 108.8 per cent of allocated funds spent at the end of March 2012. This overspending is due to transfers to 'Provinces and municipalities' (117.5 per cent), 'Departmental agencies and accounts' (110.5 per cent) and to 'Households' (108.2 per cent).
- A concern is the large increase in expenditure on 'Payments for capital assets' that seems to have occurred in the final quarter. . At the end of the third quarter the spending was low at 38 per cent and at the end of the last quarter a spending of 99.8 per cent occurred. This needs to be explained. However, it should also be noted that final spending on 'Payments for capital assets' (99.8 per cent) in 2011/12 is lower than in comparison to the previous year spending of 119.3 per cent. This expenditure pattern is largely located within the following:
 - 'Buildings and other fixed structures', which shows a severe under-spending in only utilising 54.3 per cent of its allocated budget;
 - 'Machinery and equipment', which utilised 131.6 per cent of its allocated budget. The department indicated that the high spending on *Machinery and equipment* is due to vehicles being received late in the financial year.
 - The department overspent on 'Biological assets' (training and purchase of dogs) by 671.1 per cent. The amount budgeted for this item was R235 000 and the total amount spent was R1.6 million.

2.4.1 Spending per programme

Programme 1: Administration

Table 2: Expenditure per sub-programme: Programme 1: Administration

Administration	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding R'000	% spent as at end of March 2011	% spent as at end of March 2012
Ministry	28 949	23 309	5 640	99.8%	80.5%
Management	86 847	84 780	2 067	138.7%	97.6%
Corporate Services	17 719 767	16 664 643	1 055 124	98.2%	94.0%



Office Accommodation	2 536 637	2 491 190	45 447	103.0%	98.2%
Total	20 372 200	19 263 922	1 108 278	98.9%	94.6%

- The Administration programme had spent 94.6 per cent (R19.3 billion) of its allocated budget by the end of the financial year, which is lower than the 98.9 per cent spent in 2010/11.
- Under-spending was recorded on all sub-programmes and was most pronounced on the Ministry sub-programme, which only spent 80.5 per cent of its allocated budget which is significantly lower than the proportion spent in the previous financial year (99.8 per cent). The department must provide reasons for this significant under-spending of funds.
- 'Transfers and subsidies' have utilised 114.2 per cent of its budget towards transfers to 'Provinces and municipalities' (126 per cent), 'Departmental agencies and accounts' (110.5 per cent) and to 'Households' (114.4 per cent).
- Expenditure on 'Payments for capital assets' was low at 98.9 per cent when compared to the previous year spending (135.2 per cent). The significantly low spending on 'Buildings and other fixed structures' (54.2 per cent) is very concerning compared to the overspending recorded for the 2010/11 year at 105 per cent.
- The department overspent on 'Machinery and equipment' (308.1 per cent). This is a similar pattern as in 2010/11, during which the department spent 277.1 per cent of its allocated budget on the same item. This is apparently due to the purchased vehicles which were delivered in the fourth quarter.
- The department had to write off irrecoverable bad debts worth R6.6 million. This is much higher than the R2.9 million for 2010/11. This is an increase of 128 per cent. The department should provide reasons for this increase in bad debts.



Programme 2: Visible Policing

The programme had spent R24.8 billion by the end of March 2012, exceeding its allocation by 1.1 per cent.

Table 3: Expenditure per sub-programme: Programme 2: Visible Policing

Visible Policing	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding R'000	% spent as at end of March 2011	% spent as at end of March 2012
Crime Prevention	21 413 042	21 582 853	(169 811)	100.4%	100.8%
Border Security	1 397 926	1 266 456	131 470	108.4%	90.6%
Specialised Interventions	1 682 228	1 912 664	(230 436)	107.0%	113.7%
Total	24 493 196	24 761 973	(268 777)	100.9%	101.1%

- The low spending of 85.8 per cent under 'Payments for capital assets' was attributed to the low spending for 'Machinery and equipment'.
- Payments of R591 000 towards 'Buildings and other fixed structures' and R208 000 for 'Biological assets' were made, although no funds were budgeted for these items within this programme.

Programme 3: Detective Services

Expenditure within Detective Services was slightly above that recorded at the end of March 2011. The programme spent R10.2 billion (102.5 per cent) of its allocated budget at the end of March 2012.

Table 4: Expenditure per sub-programme: Programme 3: Detective Services

Visible Policing	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding R'000	% spent as at end of March 2011	% spent as at end of March 2012
Crime Investigation	6 904 567	7 218 213	(313 646)	100.8%	104.5%
Criminal Record Centre	1 251 132	1 245 455	5 677	97.2%	99.5%
Forensic Science Laboratory	782 234	692 998	89 236	95.8	88.6%
Specialised Investigations	985 596	1 011 003	(25 407)	102.4%	102.6%
Total	9 923 529	10 167 669	(244 140)	100.2%	102.5%



- It is important to note that 'Crime Investigations' had the highest spending (104.5 per cent) whilst the 'Forensic Science laboratory' had the least spending (88.6 per cent). The low spending in the FSL emanates from the low spending in the Criminal Justice System (CJS) Revamp environment.
- 'Current payments' have utilised 101 per cent of the budget whilst 'Goods and services' recorded expenditure of only 93.2 per cent and 'Compensation of employees' incurred 102.8 per cent of the allocated budget. 'Transfers and subsidies' have utilised 99.9 per cent which is primarily for transfers towards 'Provinces and municipalities' and 'Households'.
- 'Payments for capital assets' (only 'Machinery and equipment') had the highest spending at 140.5 per cent. It should be noted that the expenditure for this item at the end of the third quarter was 35.8 per cent and increased to an overspending of 140.5 per cent. The department should indicate the reason for this.

Programme 4: Crime Intelligence

The expenditure for Crime Intelligence was R2.2 billion (100.5 per cent) at the end of March 2012, which is slightly higher than the 100 per cent for the same period ending in March 2011.

Table 5: Expenditure per sub-programme: Programme 4: Crime Intelligence

Crime Intelligence	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding R'000	% spent as at end of March 2011	% spent as at end of March 2012
Crime Intelligence Operations	847 265	865 370	(18 105)	9.2%	102.1%
Intelligence and Information Management	1 347 558	1 339 619	7 939	101.9%	99.4%
Total	2 194 823	2 204 989	(10 166)	100.0%	100.5%

In terms of economic classification, the expenditure incurred at the end of the fourth quarter was:

- Large overspending was recorded for 'Transfers and subsidies' at 209.1 per cent of the allocated budget, which was due to the large transfers that were made towards 'Households for retirement benefits'; and
- The under-spending on 'Payments for capital assets' (only 'Machinery and equipment') at only 62.1 per cent was due to the low expenditure on 'Machinery and equipment'.



Programme 5: Protection and Security Services

By end of March 2012, the Protection and Security Services programme spent R1.5 billion (97.9 per cent) of its allocated budget which is lower than the proportion for 2010/11 (99.2 per cent).

Table 6: Expenditure per sub-programme: Programme 5: Protection and Security Services

Protection & Security Services	Total Adjusted Allocation R'000	Actual spending as at end of March 2012 R'000	Available funding R'000	% spent as at end of March 2011	% spent as at end of March 2012
VIP Protection Services	589 318	619 087	(29 769)	100.4%	105.1%
Static and Mobile Security	696 315	665 460	30 855	96.8%	95.6%
Government Security Regulator	76 185	75 636	549	103.6	99.3%
Operational Support	204 971	174 385	30 586	97.2	85.1%
Total	1 566 789	1 534 568	32 221	99.2%	97.9%

- Extremely low spending on 'Operational Support' is noted.
- 'Payments for capital assets' (only 'Machinery and equipment') were high at 185.5 percent.

2.4.2 Expenditure on non-core items

The table below gives a breakdown of expenditure on non-core items.

Table 7: Departmental expenditure on non-core items.

Identified items	Audited outcomes			Allocated budget	Total amount spent Apr 2011 - March 2012	Percentage spent Apr 2011 to March 2011
	2008/09 R'000	2009/10 R'000	2010/11 R'000	2011/12 R'000	R'000	%
Catering: Departmental activities	45	21 044	21 953	15 479	22 180	143.3%
Entertainment	17 688	3 277	5 091	6 152	2 579	41.9%
Travel and Subsistence	763 783	882 633	793 711	694 137	660 555	95.2%
Advertising	38 673	49 838	16 541	23 507	28 709	122.1%



Inventory: stationary and printing	244 248	283 190	307 653	318 352	330 645	103.9%
Consultants and professional services	110 533	104 620	117 882	118 470	150 526	127.1%
Of which						
<i>Business and advisory services</i>	16 803	11 792	13 781	16 055	14 909	92.9%
<i>Infrastructure and planning</i>	2 640	6 228	2 781	4 926	278	5.6%
<i>Legal costs</i>	91 090	86 600	101 320	97 489	135 339	138.8%

- The department recorded a significant overspending on 'Catering', exceeding the allocated budget at a percentage of 143.3 per cent.
- The total expenditure for *Entertainment* was only 41.9 per cent of the allocated budget at the end of the fourth quarter.
- The department recorded a significant overspending on the overall allocation for Consultants and professional services at 127.1 per cent, of which one item overspent and one under-spent significantly:
 - Legal costs remain the major cost driver for the Consultants and professional service, which incurred expenditure of 138.8 per cent. These legal costs can be attributed to the Civilian claims against the state.
 - Only 5.6 per cent of the budget for consultants and professional services for 'Infrastructure and planning' were spent at the end of the 2011/12 financial year.

2.4.3 Expenditure on capital assets/projects

Expenditure on *Buildings and other fixed structures* is shown in Table 8.

- Actual spending on *Buildings and other fixed structures* was R671 million which is 54.3 per cent of the allocated funds. This spending is significantly lower to that of the previous years where 105.7 per cent and 105.5 per cent were spent in March 2011 and March 2010, respectively.
 - The slow spending is due to non-performance of contractors, changes in the design and scope of projects, site clearance not being finalized which impacts on project milestone date



- National Treasury Instruction Note of 31 May 2011 which makes provision for contracts above the value of R10 million that may only be awarded with the concurrence of the relevant Treasury has an influence on this low expenditure.

Table 8: Expenditure on Buildings and other fixed structures of SAPS

Buildings and Other Fixed Structures: SAPS	Allocated Budget	Projected funds	Actual Expenditure	Deviation Between Projected and Actual Expenditure	Percentage earmarked funds spent up to end of March 2012
	R'000	R'000	R'000	R'000	
As at end of March 2012	1 235 293	1 235 293	671 119	564 174	54.3%
As at end of March 2011	1 118 201	1 118 201	1 182 141	63 940	105.7%
As at end of March 2010	1 014 435	1 014 435	1 070 126	55 691	105.5%

2.4.4 Spending on earmarked funds

(1) Devolution of funds from DPW

The table below shows the expenditure on the devolution of funds from DPW.

Table 9: Expenditure in the devolution of funds from DPW

Devolution of funds from DPW	Earmarked Amount	Actual Expenditure	Deviation Between Projected and Actual Expenditure	Percentage of earmarked funds spent up to end of March 2012
	R'000	R'000	R'000	
As at end of March 2012	2 202 295	2 491 190	288 895	113.1%
As at end of March 2011	1 848 780	2 156 167	307 387	116.6%
As at end of March 2010	1 845 518	1 870 184	24 666	101.3%

- A total of R2.5 billion (113.1 per cent) of the earmarked amount was spent on the devolution of funds from DPW by end of March 2012 on municipal services. This spending pattern is similar to that of the previous two years. (Note: The DPW changed the invoicing of leases from quarterly to monthly payments resulting in delays in spending).

(2) Construction and upgrading of Police Stations

- Table 10 shows that actual expenditure on the construction and upgrading of police stations was R670 million, which is only 71.5 per cent of the earmarked amount. This spending is



lower than the previous financial years when 132.5 and 127.7 per cent of the earmarked amount was spent by end of March 2011 and 2010 respectively.

- The Department of Police asserts that the under-spending is, amongst others, due to delay in the site clearance, changes in design and scope of projects and delays in the awarding of contracts for the construction of police stations.

Table 10: Expenditure on Construction and upgrading of Police Stations

Construction and Upgrading of Police Stations	Earmarked Amount R'000	Actual Expenditure up to end of March 2012 R'000	Available Amount R'000	Percentage of earmarked funds spent up to end of March 2012
As at end of March 2012	936 472	669 944	266 528	71.5%
As at end of March 2011	878 492	1 164 292	285 800	132.5%
As at end of March 2010	828 767	1 058 179	229 412	127.7%

(3) Integrated Justice System programme

Table 11: Expenditure on Integrated Justice Systems programme

IJS Expenditure	Earmarked Amount R'000	Actual Expenditure R'000	Deviation Between Projected and Actual Expenditure R'000	Percentage of earmarked funds spent up to end of March 2012
Administration Programme	1 391 606	1 132 913	258 693	81.4%
<i>Good & Services</i>	<i>1 376 607</i>	<i>481 452</i>	<i>-895 155</i>	<i>35.0%</i>
<i>Payment for Capital Assets</i>	<i>14 999</i>	<i>651 461</i>	<i>636 462</i>	<i>4343.4%</i>
Detective Services Programme	740 000	647 817	92 183	87.5%
<i>Compensation of Employees</i>	<i>200 000</i>	<i>200 000</i>	<i>0</i>	<i>100.0%</i>
<i>Goods & Services</i>	<i>455 990</i>	<i>182 188</i>	<i>-273 802</i>	<i>40.0%</i>
<i>Payment for Capital Assets</i>	<i>84 010</i>	<i>265 629</i>	<i>181 619</i>	<i>316.2%</i>
Total	2 131 606	1 780 730	-350 876	83.5%

- The Integrated Justice System programme budget resides within the *Administration* (R1.391 billion) and *Detective Services* (R740 million) programmes.



- A total of R1.8 billion (83.5 per cent) of the earmarked amount was spent on the *Integrated Justice Sector (IJS) Programme* by end of March 2012.
- The spending of funds within the IJS related in the Administration sub-programme was significantly low as only 81.4 per cent of the allocated funds were spent at the end of March 2012.
 - Spending on 'Goods and services' were especially low at 35 per cent.
 - Payment on Capital Assets were extremely high at 4 343.4 per cent of the budget spent at the end of March 2012.
- Spending of funds from *Detective services* was 87.5 per cent at the end of the last quarter of the 2011/12 financial year.
 - The spending on *Goods and services* (economic classification) was very low at the end of the last quarter (40.0 per cent).
 - The department recorded an overspending on Payment for Capital Assets at 316.2 per cent of the allocated budget spent at the end of the fourth quarter on 2011/12.

4. Key problem areas identified in the fourth quarter expenditure

- The department under-spent by R617.4 million, an increase of 1 543 440 per cent from the 2010/11 figure of R40 thousand.
- The Administration programme recorded an under-spending on its allocated funds at only 94.6 per cent spent at the end of March 2012.
- Expenditure on Payments for capital assets remains a concern as two of the three items in this classification recorded significant overspending and one severe under spending. 'Buildings and other fixed structures' recorded 54.3 per cent expenditure at the end of 2011/12, while 'Machinery and equipment' and 'Biological assets' recorded significant overspending of 131.6 per cent and 671.1 per cent respectively.
- All four sub-programmes under Administration recorded under-spending of allocated funds, with the most pronounced under-spending percentage wise occurring within the Ministry sub-programme (80.5 per cent).
- The sub-programme 'Border security' under the Visible policing programme recorded a significantly low expenditure at only 90.6 per cent, while the sub-programme 'Specialised interventions' recorded an over-spending at 113.7 per cent.
- The sub-programme 'Forensic Science Laboratory' in the Detective services programme recorded a significant under-spending at only 88.6% of its allocated funds spent at the end of the financial year.



- The sub-programmes 'VIP Protection Services' and 'Operational Support' in the Protection and Security Services programme recorded significant under-spending at 95.6 per cent and 85.1 per cent respectively.
- The extremely low spending on 'Consultants and professional services: Infrastructure and planning' recorded an under-spending of its budget, with only 5.6 per cent of its funds spent at the end of March 2012.
- The significantly high spending on 'Consultants and professional services: Legal costs' recorded an over-spending of its budget, with 138.8 per cent of its funds spent at the end of March 2012. This is due to an increase in civil claims against the SAPS and should be seen as a major concern as it could be indicative to a larger problem in police malpractice.
- Expenditure on earmarked funds remained extremely low.
 - Only 83.5 per cent of earmarked funds allocated to the Integrated Justice Systems Programme were spent at the end of the fourth quarter. Of this 'Goods and services' in both the Administration and Detective Services programmes were very low at 35.0 per cent and 40.0 per cent respectively.
 - The expenditure on earmarked funds for 'Construction and upgrading of police stations' is low, as only 71.5 per cent of the allocated budget was spent by the end of the fourth quarter of 2011/12 in comparison to the 132.5 per cent and 127.7 per cent spent at the end of March 2011 and March 2010 respectively.
- The expenditure on capital assets - 'Buildings and other fixed structures: SAPS' - is extremely low, as only 54.3 per cent of the allocated budget was spent by the end of the fourth quarter, especially in comparison to the 105.7 per cent and 105.5 per cent expenditure at the end of March 2011 and March 2010, respectively.
- A key concern is the writing off of R6.6 million in irrecoverable debts for the 2011/12 financial year. This is much higher than the R2.9 million for 2010/11 and represents an increase of 128 per cent. The department should indicate the systems put in place to prevent the further escalation of bad debts in the future.

5. Concluding remarks

The overall spending of the SAPS for the 2011/12 financial year is lower than that of the previous financial year and recorded an under-spending of R617.4 million, which is a very significant increase from the R40 thousand that was under-spent in 2010/11. This is an increase of 1 543 440 per cent. The department must focus on key areas of concern like the effective use of earmarked funds with specific focus on the implementation of modernisation projects (IJS & CJS). The department must also focus intensively on expenditure on buildings and other fixed structures and ensure that timeframes be kept to avoid cost escalations.



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