

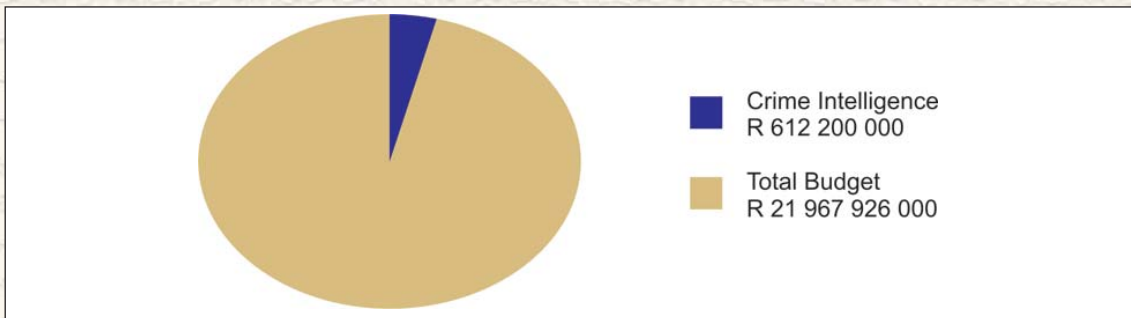
The continued emphasis on priorities in the detective services environment, such as vehicles, but especially specialized functions within the programme i.e. Criminal Record Centre received special attention in relation to the continued enhancements in the AFIS technology environment.

Crime Intelligence is responsible for the management of crime intelligence, the analysis of crime information, and some technical support to crime prevention and investigation. The sub programme Crime Intelligence Operations provides for gathering intelligence and counter-intelligence. Intelligence and Information Management includes the analysis of crime intelligence and the crime intelligence management centre.

Spending trends

The total adjusted budget allocated to this programme amounted to R612 200 000.

Graph 5: The budget of Programme 5 in relation to the total budget.



Financial position: 31 March 2004.

Crime Intelligence

Adjusted appropriation	Actual expenditure	Variance as a
R'000	R'000	%
612 200	652 288	(6,54)

The budget for Crime Intelligence accounted for about 2 per cent of the budget of the Department.

As a result of the recent establishment of Crime Intelligence as a separate division and programme in the Vote, it is believed that variances in respect of future expenditure trends will be experienced, until such a time that the Division has been fully established and resourced on a refined threshold.

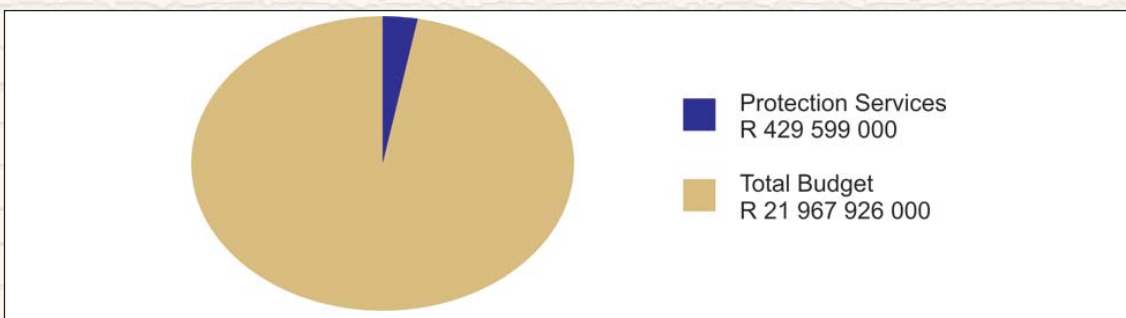
Increased expenditure trends are therefore foreseen over the medium term to provide for the increased resourcing of this function, for example the purchasing of vehicles and human resources.

Protection Services funds the protection of local and foreign prominent persons. The Presidential Protection Unit sub programme provides for the protection of the President, the Deputy President, former president and their spouses. Static and In-transit Protection protects local and foreign VIPs.

Spending trends

The total adjusted budget allocated to this programme amounted to R429 599 000 .

Graph 6: The budget of Programme 6 in relation to the total budget.



Financial position: 31 March 2004.

Protection Services.

Adjusted appropriation R'000	Actual expenditure R'000	Variance as a %
429 599	418 244	2,64

The budget of Protection Services accounted for about 2 per cent of the budget of the Department.

Expenditure trends within this programme were able to be contained within the framework of the amount allocated mainly as a result of the fact that a limited number of major events took place.

This required protection services and also a situation which resulted in a decrease in maintenance costs of the armoured fleet, due to the advanced stage of the modernization process of the fleet.

Over the medium term, expenditure on this programme will increase by 20,4 per cent, 17,9 per cent and 10,2 per cent in 2004/05, 2005/06 and 2006/07 respectively, as pilot projects relating to security at key government installations are rolled out.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Services rendered

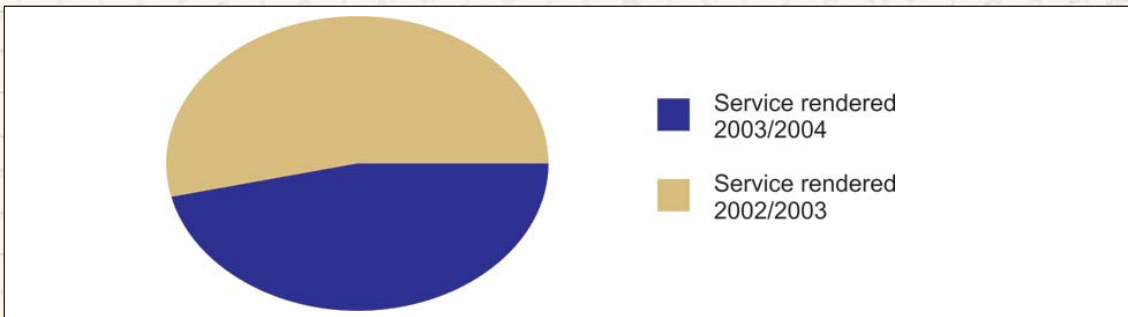
Apart from the Department's CORE responsibilities, various other internal and extra departmental services are being rendered in terms of internal prescripts as well as in accordance with the Access to Information Act, 2000 (Act No 2 of 2000). As the purpose of the Access to Information Act, 2000 is to give full effect to the constitutional right of the public to access any information held by the State, it is the Department's primary objective to foster a culture of transparency and accountability towards the public and to actively promote a society in which the people of the Republic of South Africa have effective access to information to enable them to fully exercise and protect all of their rights.

In terms of section 14 of the Access to Information Act, 2000, the Department for Safety and Security promulgated a comprehensive user manual in Government Gazette number 24061 dated 22 November 2002. The manual provides thorough guidelines in respect of the following:

- Departmental structure of the Department of Safety and Security;
- Functions performed at national, provincial, area, station and unit levels;
- Contact details of appointed deputy information officers;
- Roles and Responsibilities of the Human Rights Commission;
- Application of the Act;
- Description of subjects and categories of information that are obtainable;

- Categories of records that are automatically available;
- Other extra departmental services that are available to the public;
- Participating in or influencing the formulation of policy; and
- Remedies available for non-compliance

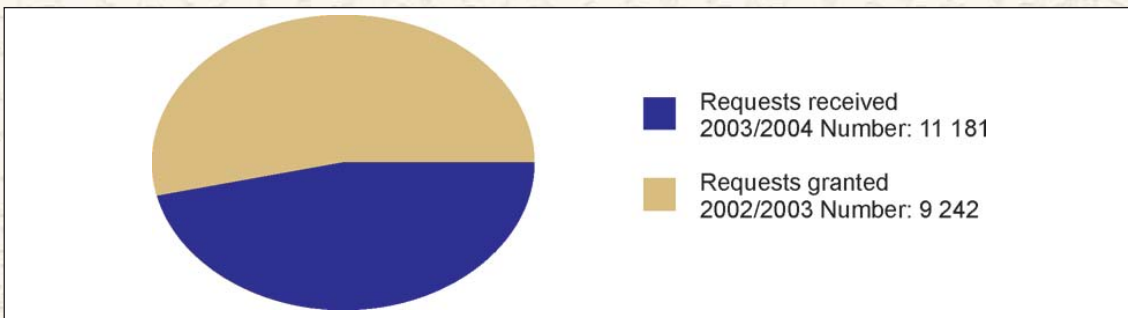
During the financial year 2003/04 the following requests for services were received:



2.2 Tariff Policy

A Committee was established within the Department to review on an annual basis all fees, charges and tariffs that are not or cannot be fixed by any law and that relates to revenue accruing to a revenue fund. The Department's proposed tariff structure for the 2002/03 financial year was approved by the National Treasury.

During the financial year 2003/04 the following revenue was collected in respect of services rendered by the Department:



2.3 Auxilliary services

The so-called free services environment was properly reviewed by the Department in order to distinguish between those services that can be classified as functional responsibilities of the Department and those that are non-functional of nature. This resulted in the establishment of a comprehensive guideline for the rendering of functional services within the Department as well as the allocation of staff members to various semi-official institutions to assist with the execution of such services. The Department has thus only catered for those services classified as functional responsibilities of the Department.

The following main functions were inter alia classified as functional responsibilities of the Department:

- Provision of nutrition to detainees;
- Provision of nutrition to resident members in some official quarters;
- Provision of nutrition to members at SAPS training facilities; and
- Provision of services to members who participate in certain official activities such as sport, well-being etc.

2.4 Inventories

The following major categories of inventories on hand as at 31 March 2004, which comprises all main logistical stores within the Department, are hereby disclosed.

	Costing indicator	2003/04 R'000	2002/03 R'000
Ammunition	+	20 656	9 967
Building material	+	0	962
Computers and radio's	+	6 657	9 424
Firearms	+	36 546	47 651
Firearm spares	+	7 630	6 003
Furniture	+	134	910
Stationery	+	44 016	23 730
Sundry	+	33 816	21 212
Uniform and clothing	+	119 294	92 467
Mineral and similar non-regenerative resources	**	88 297	75 250
Total		357 046	287 576

Costing indicators

- + The value of inventory is determined by multiplying the quantity of the specific item on hand with the latest purchase price.
- ** The value of inventory is based on the daily Rand-Dollar exchange rate and Gold Spot rates.

3. CAPACITY ASPECTS

The enlistment process which commenced during April 2002, is now fully underway with the focus on sector policing which increases the visibility of and access to police officers, particularly in poor areas where crime levels are high. This approach will continue and is supported by a recruitment process. The number of employees will be increased from 119 560 as on 31 March 2002 to 156 760 by the end of March 2007, representing a 31,1 per cent increase. This labour input will be complemented by the necessary expansion of the Departments vehicle fleet, equipment supplies and IT infrastructure.

As a strategic objective, capital infrastructure investment is continuously being enhanced, specifically in respect of the construction, purchase and maintenance of policing infrastructure, the latter in respect of which in excess of R311 million was spent during the year under review.

The Department also intends replacing the radio communication network in Gauteng over the next four years, a process which commenced during the 2003/04 financial year.

Additional allocations over the medium term will also allow the department to increase spending in the capital works environment, expansion of the vehicle fleet and modernization of the computer technology infrastructure in an effort to enhance service delivery to the community.

4. UTILIZATION OF DONOR FUNDS

The Department currently has agreements with a number of foreign donors. The aim of these projects ranges from operational initiatives to Human Resource Capacity Building (training, skills development, etc.), technical assistance and physical resources. The projects culminate into the following:

- To enhance and develop personnel management systems in SAPS and the roll out of policies to divisions and provinces;
- Training in the fields of serious, organised and financial crime;
- Performance Charts and the development of a performance management system for the SAPS, Social Crime Prevention;

- To help combat crime against women and children through training, general capacity building, involving the NGO's and the community and the procurement of physical resources;
- To curb drug trafficking and crime across Southern and East African land borders and build the capacity of drug law enforcement agencies;
- Improving of service delivery; and
- Support in the field of Community Policing and future support in the fight against crimes against women and children.

5. CORPORATE GOVERNANCE ARRANGEMENTS

Corporate governance arrangements have been effected in the Service to the following extent:

5.1 Service Integrity Strategy

The Department's Strategic Plan encompasses a Service Integrity Strategy which focuses on all major issues related to integrity and the prevention of corruption.

The Service Integrity Strategy which includes a fraud prevention plan was recently revised to ensure that initiatives are not undertaken in a fragmented manner, thereby ensuring co-ordination between the various role-players within the Department.

The strategy has been rationalized into six tiers on which the development and implementation of the Strategy will be based.

These tiers are as follows:

- Regulatory development;
- Control and verification of services;
- Disciplinary action;
- Criminal investigations;
- Intelligence; and
- Preventative partnership.

The identification of the tiers is based on the following aims:

- The prevention of corruption;
- The detection of corruption;
- The investigation of cases of corruption; and
- The implementation of restorative actions to deal with possible shortcomings which may have resulted in or contributed to corruption.

The implementation of the Service Integrity Strategy is facilitated by, inter alia the Department's Risk Management Strategy, of which the primary purpose is to enable Management to identify and manage those risks which may impact on policing, within the context of the Department's Strategic Plan.

5.2 Effectiveness of Internal Audit and Audit Committee

A strategic three-year rolling Internal Audit Plan, incorporating an annual Audit Plan for 2004, was approved by the Audit Committee. The approach followed was to formulate a risk-based plan and to align the priorities of the Internal Audit Function with the objectives and goals of the Department and its related strategic risks for the next three years.

The scope of the co-source internal audit functions is to ascertain that the Department's network of control processes and risks are properly addressed.

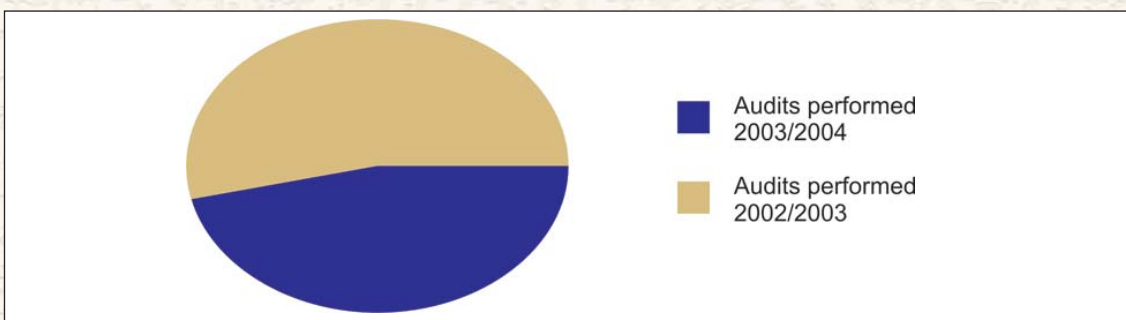
This is done to ensure that:

- Risks are appropriately identified and managed;
- Interaction with the various governance groups within the organisation occurs as appropriated;
- Financial, managerial and operating information is accurate, reliable and timely;
- Employees' actions are in accordance with policies, standards, procedures and applicable laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected;
- Programs, plans and objectives are achieved;
- Quality and continuous improvement are fostered in the organisation's control processes; and
- Legislative or regulatory issues impacting on the operation of the organisation are recognised and subsequently addressed.

The Internal Audit Unit is independent and no limitation is placed on its access to information. The accountability and reporting structures of the Unit are properly established and regular feedback is provided to the Audit Committee who acts as oversight committee in evaluating:

- Progress made with the execution of the internal audit reviews in terms of the approved Internal Audit Plan as well as
- the effectiveness of the Unit.

The following is an indication of the significant improvement that was achieved in respect of the extent of work performed during the 2003/04 financial year:



5.3 Risk management

The primary objective of the Department's Risk Management Strategy is to enable Management to identify and manage those risks that impact on policing, within the context of the Department's Strategic Plan. The Risk Management Strategy complements the Department's Strategic Plan.

5.4 Management process to minimise conflict of interest

Senior managers furnished Management with a written document declaring their interests in external activities and/or business enterprises which may constitute a conflict of interest with that of the Department. The system encompassing all issues of substance which may impact or compromise the actual or potential conflict of a person's financial interests, is regulated by means of various internal prescripts.

5.5 Implementation of the Code of Conduct

The Code of Conduct of the Service has been institutionalized and is included in the Department's Strategic Plan. It encompasses a specific priority aimed at improving the ethos of professional service in the Department.

The Code of Conduct is incorporated in various initiatives undertaken by the Department to enhance service delivery at all levels.

The Department's Service Delivery Improvement Programme (SDIP), which is based on Government's Batho Pele

programme, augments the implementation of the Code of Conduct. The Service Delivery Improvement Programme focuses on the main services provided by the Department, the standards associated with these services and the consultation arrangement tools available to clients and compliance mechanisms.

The professionalism of employees is also promoted by other strategic initiatives implemented within the Department. These initiatives inter alia consists of the Service Integrity Strategy which includes the Fraud Prevention Plan and the Risk Management Strategy, which seeks to minimize conflict of interest and promote individual and personal integrity.

The assessment of compliance with the Code of Conduct is achieved by means of evaluations and inspections at all levels within the Service. These evaluations/inspections are performed by the National Evaluation Service Division which focusses on basic policing functions and service delivery principles performed by the Department. The National Evaluation Services Division also manages the national SAPS complaints line, 0860010111, which the public utilises to register complains against the Department. The Division coordinates the recording and proper investigation of all complaints received.

5.6 Safety, health and environment related issues

The Department established a component, which attends to the environment in accordance with the Occupational Health and Safety Act, 1993, (Act No. 85 of 1993).

6. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENT

6.1 Implementation of the Public Finance Management Act

The instructions from the National Treasury regarding the implementation of the PFMA were in all material respects adhered to and the Department timeously responded to all surveys and questionnaires from National Treasury in this regard.

National Treasury has embarked on a process to further establish the level of PFMA compliance as well as the extent to which financial management had improved in the public sector by introducing a document on normative measures for financial management.

In addition to this, the normative measures will assist National Treasury in its reporting responsibilities to Parliament and the Standing Committee on Public Accounts (SCOPA).

An entity's operating environment has a direct influence on its reporting objectives, as well as on the relevancy of information. For this reason, understanding the nature of a department and the complex environment in which it operates it is important to determine relevancy, comparability, usefulness etc. Because departments are bound to have multiple goals and objectives, measuring and assessing performance for instance, can be complex and tenuous.

Assessing the significance and inter-relationships of the various measurements against norms can be difficult and generic norms must be viewed in this context. Norms should also be material of nature i.e. have a direct bearing.

The compilation and submittance of annual financial statements by a department actually represents the eventual financial performance and position of that department.

It should be noted that the aim of the PFMA is to introduce an approach of results instead of managing for compliance which should not be contradicted in practice. A performance norm should, therefore contribute to an outcome or at least an output and not primarily to compliance. In the normative measures that were introduced some performance norms are aimed at compliance rather than reflecting results.

In view of the afore-mentioned it is the view of the Department that only basic evaluations for which explicit statutory norms in the PFMA/Treasury Regulations have been quantified, be incorporated in such a document.

Finally, it must be indicated that the Department currently adheres to all explicit statutory norms as contained in the PFMA and Treasury Regulations.

6.2 Training

In order to improve the financial competencies and efficiency of financial personnel within the Department, personnel attended various financial training courses. Course attendants were evaluated formally by means of an outcome-based training method.

The following courses (modules) mainly for the training of financial personnel are presented regularly, which include:

Formal Training

- Applied Government Accounting
A basic accounting course, derived from the implementation of the PFMA was introduced in 2002. It is a course specifically aimed at improving the accounting skills of personnel ;
- Semi-Official Institution Course; and
- Modules on financial management are included in the curriculum of the Officers Course presented to line function managers;
 - Module on first level financial inspections.
 - Simulation training in general financial management.

Informal Training

Informal and in-service-training is conducted on a continuous basis by the Department. This type of training addresses specific needs of personnel at Financial Services and focusses for example on the following areas:

- Standing Advances;
- Debt Administration;
- Suppliers;
- Claims;
- Resource Systems; and
- Loss Management

External Training

The Department also make use of training courses presented by the South African Institute of Government Auditors (SAIGA). These courses are not only generic of nature in respect of business management but also PFMA specific.

Courses include:

- Introduction to the Public Finance Management Act, 1999;
- Internal control and risk management;
- Revenue, expenditure, asset and liability management;
- Dealing with fraud and how to compile a fraud plan;
- Performance management;
- Generally recognised accounting practice;
- Preparing annual financial statements;
- Evaluating Capital Projects; and
- Internal Audit Governance

E-Learning

The Department is currently engaged in an E-Learning project. This concept enables the learner to study courses by means of electronic medium.

6.3 Debt Administration

The management of debt is based on the maintenance of effective processes and procedures that are in place. These processes and procedures include:

- Computerized debt system;
- Monthly management reports;
- Analysing monthly statistics;
- Exception management reports as a control measure;
- Quarterly management monitoring reports addressed to the Provincial Commissioners;
- Following up of outstanding debt with no movement on a two monthly basis;
- Access to the data base of various computerized systems to obtain addresses of ex-members; and
- Deposit facilities at commercial banks for ex-members and civilians.

A more aggressive approach regarding debt recovery was embarked upon, which includes the following:

- Outstanding debt less than R1 000 is recovered in a once off payment during the salary bonus month of a debtor; and
- Consultation with the Office of the State Attorney to outsource certain legal recoveries to private attorneys.

6.4 Standing advances

Revised processes to administer outstanding advances have been introduced. These processes inter alia provide for the electronic recovery of outstanding advances and improved cash reconciliation processes. The processes have resulted in improved monitoring and reporting mechanisms, which minimize risks.

6.5 Reporting requirements

An early warning system has been introduced and is continually refined, enhancing monitoring and in-year reporting.

The Department complied with the requirements of the PFMA, taking into account the changes in the financial statements to be submitted. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous years audited annual financial statements and such other comparative figures that the Department may reasonably have available for reporting.

The new economic reporting format and standard chart of accounts developed by the National Treasury to enhance appropriate management information and to provide legislatures with information that would reinforce their oversight role was implemented in the Department as from 1 April 2004. The Department also succeeded in presenting its 2004 budget in line with the new format.

6.6 Management of losses

The Department attends to projects aimed at optimizing the loss management processes. These projects relate to the following:

- The development of an official course in loss management functions. It is expected that the development of the course will be finalized in the 2004/05 financial year;
- An awareness campaign that was launched with a view to marketing initiatives taken to optimize the loss management processes and to sensitize officials to report and prevent unnecessary losses;
- The implementation of a prevention policy during the 2004/05 financial year to limit or prevent unnecessary losses. The policy requires all provinces to develop their own prevention plans in accordance with a framework that was developed in consultation with all role-players (including other State departments);
- The establishment of a loss control register at all stations/units and logistical accounting offices who do not

as yet have access to the Loss Control System, ensuring that all losses are reported;

- The implementation and continuous evaluation of a standardized and computerized report in respect of all losses that must be written off in terms of the relevant Treasury Regulations for submission to the Auditor-General;
- The establishment of a link between the Loss Control Data System and the Provisioning Administration System (PAS) to ensure that all lost State property is eventually properly accounted for;
- The continuous monitoring of all evaluations conducted in accordance with the national strategy to evaluate losses and loss files down to station/unit/area level;
- The appointment of a task team to evaluate and finalize all pending loss files in respect of losses that occurred on or before 31 March 2001 in Gauteng Province; and
- An investigation being conducted with a view to follow a more integrated approach with loss management functions at all levels of management in the SAPS.

6.7 Supplier payment processes

The Department has implemented various processes and procedures to enhance the monitoring of payments and to reduce outstanding invoices. The payment of invoices resulted in suppliers being paid on average within 30 days of receipt of invoices.

7. PERFORMANCE INFORMATION

With the amended format of the 2003 Estimates of National Expenditure, which provided for the introduction of measurable objectives, the Department included, during the budget process, the development of measurable objectives as part of the Department's Strategic Plan to feed into the preparation of budget submissions. Although work still needs to be done, the publication of measurable objectives for each programme reflects a commitment to improved service delivery, greater transparency and increased accountability.

Monitoring and measuring service delivery and performance are critical to the overall management of the Department, ensuring that objectives are met through the delivery of outputs. Integrating service delivery and performance measurement information into planning and budgeting contribute to better budgeting and enhanced service delivery.

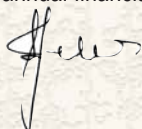
This may be viewed as a process of assessing progress towards achieving predetermined goals.

The process is used as a tool for self-assessment, goal setting, monitoring of progress and to facilitate communication of objectives and service delivery targets and progress to external clients.

A Planning Guideline for the 2003/04 financial year had been compiled by the Department, emanating from the 2003 Estimates of National Expenditure and which complemented the Strategic Plan of the Department. This Guideline provided guidance for the implementation of priorities and measurable objectives as well as an explanation of service delivery measures and the levels of responsibility. The purpose of these guidelines is to empower managers to focus their actions in accordance with departmental policies and objectives.

APPROVAL

The annual financial statements set out on pages 1 to 29 have been approved by the Accounting Officer.



**NATIONAL COMMISSIONER: SOUTH AFRICAN POLICE SERVICE
(ACCOUNTING OFFICER)
J S SELEBI**

DEPARTMENT OF SAFETY AND SECURITY
VOTE 25
STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National / Provincial Expenditure. Unexpended voted funds are annually surrendered to the National / Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the National / Provincial Revenue Fund.

3. Donor aid

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

4. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this Act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

6. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts. Debts written off are limited to the amount of surplus funds available to the department.

7. Capital expenditure

Expenditure for physical items on hand on 31 March 2004, to be consumed in the following financial year, is written off in full when they are paid and are accounted for as expenditure in the income statement.

8. Investments

Non-current investments are shown at cost and adjustments are made only where in the opinion of the accounting officer, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

9. Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

10. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

11. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial / National Revenue Fund or another party.

12. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

13. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

14. Accruals

This amount represents goods / services that have been delivered, but no invoice has been received from the supplier at the reporting date, **OR** an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

15. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National / Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and / or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired members are expensed when the payment is made to the fund.

16. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and / or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

17. Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

18. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

DEPARTMENT OF SAFETY AND SECURITY
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Programme	2003/04				2002/03			
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1. Administration	6 234 426	279 633	6 514 059	6 514 058			5 605 149	5 605 149
Current	5 773 111	181 131	5 954 242	5 954 241	1	99.99%	5 214 742	5 214 742
Capital	461 315	98 502	559 817	559 817	0	100.00%	390 407	390 407
2. Crime Prevention	9 618 649	(295 102)	9 323 547	9 323 547			8 493 146	8 493 146
Current	9 137 010	(413 281)	8 723 729	8 723 729	0	100.00%	8 088 290	8 088 290
Capital	481 639	118 179	599 818	599 818	0	100.00%	404 856	404 856
3. Operational Response Service	1 329 470	(22 488)	1 306 982	1 306 982			1 228 929	1 228 929
Current	1 302 617	(60 437)	1 242 180	1 242 180	0	100.00%	1 201 941	1 201 941
Capital	26 853	37 949	64 802	64 802	0	100.00%	26 988	26 988
4. Detective Services	3 743 582	9 223	3 752 805	3 752 805			3 368 432	3 368 432
Current	3 666 385	(74 490)	3 591 895	3 591 895	0	100.00%	3 280 790	3 280 790
Capital	77 197	83 713	160 910	160 910	0	100.00%	87 642	87 642
5. Crime Intelligence	612 200	40 089	652 289	652 289			570 210	570 210
Current	604 057	31 176	635 233	635 233	0	100.00%	558 596	558 596
Capital	8 143	8 913	17 056	17 056	0	100.00%	11 614	11 614
6. Protection Services	429 599	(11 355)	418 244	418 244			447 678	447 677
Current	421 688	(26 432)	395 256	395 256	0	100.00%	422 408	422 407
Capital	7 911	15 077	22 988	22 988	0	100.00%	25 270	25 270
Total	21 967 926		21 967 926	21 967 925	1	99.99%	19 713 544	19 713 543
Reconciliation with Income Statement								
Add: Local and foreign aid assistance (including RDP funds)			3 676	15 390			2 475	4 585
Add: Other Receipts			158 151				141 253	
Less: Fruitless and wasteful expenditure								
Actual amounts per Income Statement			22 129 753	21 983 315			19 857 272	19 718 128

DEPARTMENT OF SAFETY AND SECURITY
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2004

Economic classification	2003/04				2002/03			
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	16 956 278	(356 098)	16 600 180	16 600 180	0	100,00%	15 235 748	15 235 748
Other	3 948 590	(6 235)	3 942 355	3 942 354	1	99,99%	3 531 019	3 530 457
Capital								
Acquisition of capital assets	1 063 058	362 333	1 425 391	1 425 391	0	100,00%	946 777	947 338
Total	21 967 926	0	21 967 926	21 967 925	1	99,99%	19 713 544	19 713 543
Standard item classification	2003/04				2002/03			
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Inventories								
Personnel	1 192 326	40 529	1 232 855	1 232 855	0	100,00%	1 121 678	1 121 678
Administrative	16 956 278	(356 098)	16 600 180	16 600 180	0	100,00%	15 235 748	15 235 748
Equipment	1 012 371	7 471	1 019 842	1 019 842	0	100,00%	996 203	996 203
Land and buildings	1 032 955	149 672	1 182 627	1 182 627	0	100,00%	757 965	757 964
Professional and special services	311 723	3 016	314 739	314 739	0	100,00%	259 202	259 202
Miscellaneous	1 410 351	129 647	1 539 998	1 539 997	1	99,99%	1 279 363	1 279 363
Authorised losses	51 922	7 228	59 150	59 150	0	100,00%	53 879	53 879
Cash discount	0	19 702	19 702	19 702	0	100,00%	10 068	10 068
	0	(1 167)	(1 167)	(1 167)	0	100,00%	(562)	(562)
Total	21 967 926	0	21 967 926	21 967 925	1	99,99%	19 713 544	19 713 543