

DEPARTMENT FOR SAFETY & SECURITY
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. General review of the state of financial affairs

The budget of the Department for the 2004/05 financial year amounted to R24 509 656 000 which was adjusted to R24 572 904 000 in the 2004 Adjustments Estimate process. The actual expenditure outcome as at the end of the 2004/05 financial year amounted to R24 572 903 000 leaving a balance of R930 which will be surrendered to the Exchequer.

Administration

The Administration programme provides strategic management and administrative support, as well as both political and managerial leadership to the South African Police Service. In addition, the administration and smooth running of the Department is supported by the activities of Corporate Services, which seeks to create a productive, effective and efficient working environment.

Spending trends: The total adjusted budget allocated to this programme amounted to R7 052 823 000.

Financial position: 31 March 2005: Administration:

Adjusted appropriation	Actual expenditure	Variance
R'000	R'000	%
7 052 823	7 533 139	(6,8)

The increased expenditure under this programme is mainly the result of relocating administrative support personnel within the station environment in the year after appropriation, the day-to-day maintenance of policing infrastructure, the upgrading and expansion of the vehicle fleet, the modernization of the computer infrastructure and the upgrading of the mainframe systems of the Department. These prioritized areas were singled out for additional expenditure.

Visible Policing

The Visible Policing programme funds services at police stations aimed at establishing safety and security. The expenditure reflects spending and maintaining on crime prevention - i.e functional services rendered by police stations, specialized interventions and border control.

Spending trends: The total adjusted budget allocated to this programme amounted to R12 161 404 000.

Financial position: 31 March 2005: Visible Policing

Adjusted appropriation	Actual expenditure	Variance
R'000	R'000	%
12 161 404	11 439 416	5,9

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The budget of the Visible Policing Programme accounts for about 50 per cent of the departmental budget in the 2004/05 financial year.

The increase in the allocation from 2003/04 to 2004/05 was 11 per cent, which reflects a larger emphasis on the enhancement of sector policing. This increase will be maintained over the medium term to achieve the same outcome.

Detective Services

Detective Services renders the services required for effective investigations and facilitates the activities of detectives at all police stations and in specialized units.

- General Investigations accommodates detectives at police stations, who investigate a broad range of crimes which do not require skills that are too specialized.
- Specialized Investigations funds the investigation of the various specialized units.
- The Criminal Record Centre manages criminal records.
- The Forensic Science Laboratory provides specialized technical support to investigators.

Spending trends: The total adjusted budget allocated to this programme amounted to R4 021 815 000.

Financial position: 31 March 2005: Detective Services

Adjusted appropriation	Actual expenditure	Variance
R'000	R'000	%
4 021 815	4 173 473	(3,8)

The budget of Detective Services accounts for about 16 per cent of the budget of the Department, with the greatest portion being spent on general investigations performed at police stations.

Crime Intelligence

Crime Intelligence is responsible for managing crime intelligence, analyzing crime information and providing some technical support to crime prevention and investigation. The subprogramme: Crime Intelligence Operations provides for the gathering of intelligence and counterintelligence. Intelligence and Information Management include the gathering of crime intelligence and the Crime Intelligence Management Centre.

Spending trends: The total adjusted budget allocated to this programme amounted to R789 711 000.

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Financial position: 31 March 2005: Crime Intelligence

Adjusted appropriation	Actual expenditure	Variance
R'000	R'000	%
789 711	839 537	(6,3)

The budget for Crime Intelligence accounts for about 3,2 per cent of the budget of the Department.

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

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

Protection and Security Services

Protection and Security Services funds the protection of local and foreign dignitaries. The Presidential Protection Unit subprogramme provides for the protection of the President, the Deputy President, former presidents 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 R547 151 000.

Financial position: 31 March 2005: Protection and Security Services

Adjusted appropriation	Actual expenditure	Variance
R'000	R'000	%
547 151	587 339	(7,3)

The budget of Protection and Security Services accounts for about 2,2 per cent of the budget of the Department.

Among other things, the additional resources required for the establishment of the new Division and the accompanying implementation of pilot projects, as approved by Cabinet, necessitated the adjustment of the allocation of the programme.

Expenditure on this programme will increase rapidly over the next three years, rising from R547 million in 2004/05 to R1 billion in 2007/08, an average annual increase of 23,7 per cent. These increases will be supported by the enlistment of additional personnel, as pilot projects relating to security at key government installations are rolled out.

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2. Services rendered by the department

2.1 Services rendered

Apart from the Department's core responsibilities, various other internal and extradepartmental services are being rendered in terms of internal instructions as well as in accordance with the Promotion of Access to Information Act, 2000 (Act No 2 of 2000). As the purpose of the Promotion of 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, thereby enabling them to fully exercise and protect all of their rights. A list of services rendered can be obtained on page of the annual report.

2.2 Tariff policy

In view of the provisions contained in Treasury Regulation 7.3.1 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 were reviewed by the Department's Tariff Committee for the 2004/05 financial year and new fees, charges and tariffs were introduced.

2.3 Auxiliary Services

A set of guidelines have been drawn up for rendering functional services within the Department, as well as allocating staff members to various semi-official institutions to assist in performing the services concerned. The Department only caters for those services classified as functional responsibilities of the Department and not for so-called free services.

The functional responsibilities of the Department include:

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

2.4 Inventories

The following major categories of inventories as at 31 March 2005, comprising all main logistical stores within the Department, are hereby disclosed:

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Category	Costing indicator	2004/05 R'000	2003/04 R'000
Ammunition	*	17 287	20 656
Computers and radios	*	54 699	6 657
Firearm spares	*	7 682	7 630
Furniture	*	127	134
Stationery	*	29 328	44 016
Sundry	*	73 015	33 816
Uniform and clothing	*	163 695	119 294
Mineral and similar non-regenerative resources	**	106 087	88 297
Total		451 920	320 500

Costing indicators

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

3. Utilization of donor funds

During the year under review, the following foreign donor support was received:

Sweden

Aim of agreement: Improving and developing of personnel management systems in the Department and rolling out policies to divisions and provinces.

Denmark

Aim of agreement: Improving staff performance and aligning the institution with national objectives to ensure a smoothly functioning modern police service.

USA

Aim of agreement: Training in the fields of serious and organised, as well as financial crime. This programme ended in 2004.

France

Aim of agreement: Providing physical resources and training to police in the fields of organised, serious and violent crimes. This programme ended October 2004.

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European Union

Aim of agreement:

- Performance Charts and development of a performance management system for the SAPS.
- Social Crime Prevention, including studies on rural safety, domestic violence and anti-rape strategies, study of youth violence in schools, local crime prevention and firearm control (gunfree zones).
- Training, including Emerging Leader Programme, Project and Programme Management, Driver Training (K53) and Adult Basic Education Training.
- DNA Criminal Database System, including the refurbishment of the DNA laboratory, purchasing of equipment, training of new recruits and training of forensic investigators.
- KZN Master Plan and Feasibility Study: Drawing up a development plan for the province, which is custom made to suit the needs of the province, with the intent of sourcing donor funding to implement a similar programme than with Assistance to Policing in the Eastern Cape.
- Assisting the Eastern Cape to combat crime against women and children through training, general capacity building, involving the NGOs and the community and the procurement of physical resources. The project was officially launched in December 2004. It is now being implemented.

United Nations

Aim of agreement:

Curbing drug trafficking and crime across Southern and East African land borders and enhance the capacity of drug law enforcement agencies.

Norway

Aim of agreement:

Developing training materials for evidence management.

Belgium

Aim of agreement:

SAPS recently signed a second agreement with Belgium. (The first agreement was signed in 1995 and concluded in 2001.) The first agreement focused on improving service delivery and training, e.g. in the field of crowd control. The agreement signed recently will focus on crime prevention at station level.

United Kingdom

Aim of agreement:

Policy and strategic support (and technical assistance) in the field of community policing, future support in the fight against crimes against women and children in the Eastern Cape and the Alexandra Southwark Twinning project. (No amount allocated.)

Austria

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Aim of agreement:

(The SAPS recently strengthened its relationship with Austria.) A team of SAPS intelligence officers undertook a study visit to Austria 2004.

SAPS/Rwanda/Sweden

Cooperation between these countries is still being developed. The SAPS will primarily provide human resources support to Rwanda, while Sweden will provide grant support.

SAPS/DRC/Other donors

The following roleplayers have committed support to enable the Department to assist the DRC:

Japan (Grant)
Norway (Grant)
Belgium (Grant)
UK (In kind)
Switzerland (Grant)
France (In kind)

Support will be either in kind or cash or both but the agreements still need to be concluded.

4. Corporate governance arrangements

4.1 Corruption and Fraud Prevention Strategy

The SAPS has both an obligation to investigate criminal cases of corruption and fraud, and to address corruption and fraud within the SAPS. This strategy has been developed to specifically address corruption and fraud in the SAPS and has taken a broad spectrum of information into account. This information ranges from Government policy requirements such as the Prevention and Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004), and the Public Service Anti-corruption Strategy 2002 and previous, internal strategies such as the SAPS Service Integrity Framework.

Purpose of the Corruption and Fraud Prevention Strategy

The purpose of the SAPS Corruption and Fraud Prevention Strategy is to eliminate the incidence of corruption and fraud in the SAPS by adopting a multi-dimensional approach that includes all aspects of the causes and effects of the involvement of SAPS employees in corruption and fraud.

Pillars of the Corruption and Fraud Prevention Strategy

The SAPS Corruption and Fraud Prevention Strategy rests on four pillars, namely:

- Prevention
- Detection
- Investigation
- Restoration

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Prevention, detection, investigation and restoration have been identified as the core activities that must be performed within the SAPS in order to address corruption and fraud by SAPS employees. Prevention relates to the prevention of the opportunity for and actual perpetration of acts of corruption and fraud by SAPS employees, by ensuring that the appropriate preventive mechanisms are developed and implemented. The Detection Pillar involves establishing the means for exposing corruption and fraud in the SAPS and the Investigation Pillar involves the actual criminal and departmental investigations into acts of corruption and fraud by SAPS employees. The Restoration Pillar focuses on limiting the impact of corruption and fraud in the SAPS, the employees responsible for perpetrating corruption and fraud and those employees affected by corruption and fraud.

The four pillars contribute collectively to improving the institutional capacity of the SAPS to deal with corruption and fraud, including establishing and maintaining sound management policies and practices; establishing an organizational culture that is not tolerant of the perpetration of corruption and fraud by its employees, including a strong emphasis on whistle-blowing and the adoption of professional ethics in the SAPS; and ensuring that the SAPS remains in a position to proactively respond to the changing face of corruption and fraud.

4.2 Management processes aimed at minimizing 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 those of the Department. The system embracing all substantive matters that may in fact or potentially impact on or compromise a person's financial affairs, is regulated by means of various internal instructions.

4.3 Risk Management Strategy

The primary objective of the SAPS Risk Management Strategy is to enable top management to identify and manage the risks that impact on policing, within the context of the SAPS Strategic Plan. The Strategic Plan informed the Risk Management Strategy, with identified risks being incorporated within strategic priorities, and the measures required to control risks being incorporated within mechanisms developed to implement the Strategic Plan. The Risk Management Strategy will be implemented in accordance with the SAPS Strategic Plan, i.e. a five-year plan that is supported by a one-year implementation focus, as required by the Public Finance Management Act, 1999 (Act No 1 of 1999), the Treasury Regulations (2002) and the South African Police Service Act, 1995 (Act No 68 of 1995). A secondary, but critical objective is to provide management with a basis for implementing a system of risk management, as recommended by the revised King Report on Corporate Governance (King 2) and legislated by the Public Finance Management Act.

The risk assessments will contribute to the ability of the SAPS accounting officer (the National Commissioner) to adequately perform annual risk assessments and ensure that the SAPS has and maintains an effective, efficient and transparent system of risk management and internal control.

The Risk Management Strategy will be further developed in 2005/06 to facilitate the implementation of Risk Management at all levels in the SAPS.

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4.4 Code of Conduct

The SAPS Code of Conduct is included within the SAPS Strategic Plan and the operational plans at all levels. The Strategic Plan states as priority the improvement of the professional service ethos in the SAPS. The Code of Conduct is integrated within initiatives at all levels aimed at advancing a professional service ethos, including managing discipline and grievances and facilitating the implementation of service integrity.

The SAPS Service Delivery Improvement Programme (SDIP), which is based on Government's Batho Pele Programme, augments the implementation of the Code of Conduct. The SAPS SDIP focuses on implementing the main services provided and the standards associated with these services, the consultative arrangements tools available to clients and the complaints mechanisms that the SAPS has in place.

In addition a further service delivery measure introduced in the Strategic Plan aims at conducting surveys that will determine the satisfaction of victims on services rendered by the SAPS. The study was conducted by an independent company at the end of 2004 and the key findings were as follows:

- Overall, the users were satisfied with the way they were treated at the community service centres (CSC).
- The overwhelming majority of respondents felt satisfied that their statements had been taken quickly and accurately.

The professionalism of employees is also advanced by other strategic initiatives in the SAPS such as the Corruption and Fraud Prevention Strategy and the SAPS Risk Management Strategy, which seeks to minimize the risks to which employees are exposed, e.g. in terms of corruption.

4.5 Effectiveness of Internal Audit and Audit Committee

The Strategic Internal Audit plan which extends over three years and incorporates the Annual Plan for 2005, was approved by the Audit Committee. The approach was to formulate a risk-based plan aligning priorities of the Internal Audit Function with the objectives and goals of the SAPS and related strategic risks for the next three years. The projects include the following types of reviews:

- Risk-based compliance
- Financial discipline
- Cyclical reviews

The scope of the co-sourced Internal Audit Function is to determine whether the SAPS's network of risk management, control and governance processes, as designed and represented by management, are adequate and operative in a manner to ensure the following:

- Risks are appropriately identified and managed.
- Appropriate interaction takes place with the various governance groups within the organization.

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- Financial, managerial and operating information is accurate, reliable and timely.
- Employees' actions comply with policies, standard, procedures and the applicable laws and regulations.
- Resources are acquired economically, used efficiently and are adequately protected.
- Programmes, plans and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control process.
- Legislative or regulatory issues impacting on the organization are recognized and addressed appropriately.

4.6 Safety, health and environment related issues

The Department established a component, attending to the working environment in terms of the Occupational Health and Safety Act, 1993 (ActNo. 85 of 1993).

5. New/proposed activities

The SAPS Technology Strategy

As part of the SAPS programme for transformation, significant steps have been taken since 1997 to ensure better strategic decision-making within the organization. In 2003 it was suggested that a more strategic approach to science and technology was needed as a priority, which led to the need for an overall SAPS Technology Strategy being identified. The development of the strategy commenced in 2004/05 with the intention of providing the SAPS with a structured approach to strategic and operational decision-making, relating to the specification, acquisition, use and evaluation of the impact of technologies (and/or science) relevant to the SAPS.

6. Performance information

In terms of the annual Medium Term Expenditure cycle, covering a period of three financial years, the departmental strategic plan has been reviewed and updated annually. The focus is on those issues that are strategically important. The resultant document covering the period 2005 to 2010 strives to be clear, concise and coherent - focussing attention on what the Department intends doing in the next MTEF period to achieve its strategic objectives. The document aims to be relevant, adaptable and flexible.

It is of importance to note that the annual Estimates of National Expenditure as published largely complement the Strategic Plan, in terms of which policy developments, expenditure and revenue estimates are published for each programme alongside departmental plans over the medium term. The performance indicators concerned are also reflected which in turn complement the measurable objectives of the programme to be achieved over the stated period.

The Estimates of National Expenditure therefore serves the purpose of reflecting the effect of policy developments and anticipated legislative changes that will influence programme spending and resource allocation over the three-year period. Policy developments are also indicated in monetary terms and reflected as such together with substantiated information.

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The SAPS also successfully introduced the new economic reporting format on 1 April 2004 as the next phase of budgetary reform. The format has been carefully considered and customized to cater for the specific needs of the SAPS. Its implementation will be of value to both decision-makers and the general public.

An integral component of this reform is the introduction of a new standard chart of accounts, implemented in the financial systems, together with the implementation of the new economic reporting format. In this new chart a standard list of general-ledger items have been provided that is in line with international accounting and economic reporting standards.

7. Scopa Resolutions

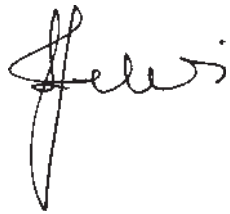
Progress on the following Scopa resolutions is as follows:

Reference to previous audit reports and Scopa resolutions	Subject	Findings on progress
Audit Report: 2003 Paragraph 4.1.3 page 2 Scopa Resolution 5/2003	Administration of leave	Substantial progress made
Audit Report: 2003 Paragraph 4.1.2 page 2 Scopa Resolution 6/2003	Firearms & ammunition	In progress Specific recommendations in the Resolutions addressed
Audit Report: 2003 Paragraph 4.1.3 page 2 Scopa Resolution 7/2003	Loss control management	Substantial progress made
Audit Report: 2002 Paragraph 4.3.3 page 14 Scopa Resolution 8/2003	Fuel & oil	Resolved
Audit Report: 2002 Paragraph 4.1.6 page 4 Scopa Resolution 9/2003	Free services	Resolved
Audit Report: 2001 Paragraph 3.2.1 page 10 Scopa Resolution 10/2003	Members on suspensions	Resolved
Audit Report: 2003 Paragraph 4.1.3 page 2 Scopa Resolution 11/2003	Appointment, promotions, etc.	Resolved
Audit Report: 2002 Paragraph 4.1.11 page 7 Scopa Resolution 12/2003	Debtors	Resolved
Audit Report: 2003 Paragraph 4.3 page 3 Scopa Resolution 13/2003	Internal audit	Resolved
Audit Report: 2002 Paragraph 4.1.12 page 8 Scopa Resolution 14/2003	Unauthorized expenditure	Resolved
Audit Report: 2002 Paragraph 4.3.1 page 10 Scopa Resolution 15/2003	Administration of stock	Not resolved
Audit Report: 2002 Paragraph 4.3.2 page 13 Scopa Resolution 16/2003	Workshop accounting system	Resolved
Audit Report: 2002 Paragraph 4.3.5 page 15 Scopa Resolution 17/2003	Vehicle management	In progress
Audit Report: 2003 Paragraph 4.1.1 page 1 Scopa Resolution 18/2003	Management of assets	In progress
Audit Report: 2001 Paragraph 3.5.3 page 18 Scopa Resolution 20/2003	Secretariat	Resolved

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8. Approved

The Annual Financial Statements set out in pages 1 to 25 as well as a set of Annual Financial statements compiled for consolidation purposes have been approved by the Accounting Officer.



JS SELEBI
NATIONAL COMMISSIONER: SOUTH AFRICAN POLICE SERVICE
(ACCOUNTING OFFICER)

Date: 2005/05/30